

**TOWNSHIP OF NORTH BRUNSWICK  
MIDDLESEX COUNTY  
NEW JERSEY**

**FINANCIAL STATEMENTS  
AND  
SUPPLEMENTARY DATA  
AND INFORMATION**

**FOR THE FISCAL YEARS  
ENDED JUNE 30, 2016 and 2015**

***HODULIK & MORRISON, P.A.***

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS  
HIGHLAND PARK, N.J.

**TOWNSHIP OF NORTH BRUNSWICK  
MIDDLESEX COUNTY, NEW JERSEY**

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MIDDLESEX COUNTY, NEW JERSEY**

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**TOWNSHIP OF NORTH BRUNSWICK  
MIDDLESEX COUNTY, NEW JERSEY**

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**PART I  
INDEPENDENT AUDITOR'S REPORT  
FINANCIAL STATEMENTS**

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**INDEPENDENT AUDITOR'S REPORT**

Honorable Mayor and Members  
of the Municipal Council  
Township of North Brunswick  
Middlesex County, New Jersey

**Report on the Financial Statements**

We have audited the accompanying balance sheets – regulatory basis of the various funds of the Township of North Brunswick, County of Middlesex, New Jersey, as of and for the years ended June 30, 2016 and 2015, the statements of operations and changes in fund balance – regulatory basis for the years then ended and the related statements of revenues – regulatory basis and statements of expenditures – regulatory basis of the various funds and governmental fixed assets for the year ended June 30, 2016, and the related notes to the financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, and State of New Jersey. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 2, these financial statements were prepared in conformity with accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, United States of America, that demonstrate compliance with the modified accrual basis, with certain exceptions, and the budget laws of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. These prescribed principles are designed primarily for determining compliance with legal provisions and budgetary restrictions, and as a means of reporting on the stewardship of public officials with respect to public funds. Accordingly, the accompanying financial statements – regulatory basis are not intended to present financial position and results of operations in accordance with accounting principles generally accepted in the United States of America. The effect on the financial statements of the differences between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

#### Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matters discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial positions of the Township of North Brunswick, County of Middlesex, New Jersey, as of June 30, 2016 and 2015, the changes in the financial position for the years ended or the revenue and expenditures for the year ended June 30, 2016.

#### Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements – regulatory basis referred to above present fairly, in all material respects, the financial position – regulatory basis of the various funds and governmental fixed assets of the Township of North Brunswick, County of Middlesex, New Jersey as of June 30, 2016 and 2015 and the related statements of operations and changes in fund balance – regulatory basis for the years then ended and the related statements of revenues – regulatory basis and statements of expenditures – regulatory basis of the various funds for the year ended June 30, 2016, on the basis of accounting described in Note 2.

#### Other Matters

#### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that pension plan information, including the Notes thereto, (Required Supplementary Information – Part II), as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



### Other Information

Our audit was made for the purpose of forming an opinion on the financial statements of the Township of North Brunswick, County of Middlesex, New Jersey. The information included in Part III – Supplementary Schedules and Part IV – Supplementary Data, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements of the Township of North Brunswick, County of Middlesex, New Jersey. The information included in Part III – Supplementary Schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements, or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements – regulatory basis taken as a whole. The schedules and information contained in Part IV - Supplementary Data have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

### Other Reporting Required by Regulations

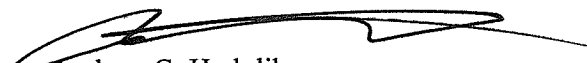
The financial statements referred to above include the assets and liabilities of the Township's Length of Service Award Program (LOSAP), which, by regulation, is subject to an accountant's review report. The Length of Service Award Program is included in the Trust Fund and is unaudited. The Independent Accountant's Review Report for the LOSAP is included in Part V – Supplementary Data as listed in the table of contents.

### Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued a report dated February 28, 2017 on our consideration of the Township of North Brunswick's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Township of North Brunswick's internal control over financial reporting and compliance.

*Hodulik & Morrison, P.A.*

HODULIK & MORRISON, P.A.  
Certified Public Accountants  
Registered Municipal Accountants



Andrew G. Hodulik  
Registered Municipal Accountant  
No. 406

Highland Park, New Jersey  
February 28, 2017

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON  
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

**INDEPENDENT AUDITOR'S REPORT**

Honorable Mayor and Members  
of the Municipal Council  
Township of North Brunswick  
Middlesex County, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements – regulatory basis of the Township of North Brunswick, County of Middlesex, New Jersey as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Township of North Brunswick's financial statements and have issued our report thereon dated February 28, 2017. Our report reflects the departure from accounting principles generally accepted in the United States of America as disclosed in Note 2 and unmodified based upon the Other Comprehensive Basis of Accounting financial statement presentations.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Township of North Brunswick's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township of North Brunswick's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Township of North Brunswick's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over the financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township of North Brunswick's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

We noted certain matters we have reported to management of the Township of North Brunswick in the General Comments and Recommendations section of the Report of Audit.

#### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance, Accordingly, this communication is not suitable for any other purpose.



HODULIK & MORRISON, P.A.  
Certified Public Accountants  
Registered Municipal Accountants

Highland Park, New Jersey  
February 28, 2017

## **FINANCIAL STATEMENTS**

TOWNSHIP OF NORTH BRUNSWICK  
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
JUNE 30, 2016 AND 2015

Assets	Ref.	June 30, 2016	June 30, 2015	Liabilities	Ref.	June 30, 2016	June 30, 2015
<u>Current Fund:</u>							
Cash.....	A-4	\$ 8,369,810.69	\$ 8,812,221.89	Accounts Payable.....	A-9	\$ 12,162.12	\$ 335,981.68
Change Fund.....	A-5	1,125.00	1,125.00	Encumbrances, Current Budget.....	A-3, A-10	465,241.26	689,539.85
Due New Jersey - Sr Citizens & Veterans Deductions.....	A-6	157,132.06	165,229.00	Appropriation Reserves.....	A-3, A-10	1,039,076.08	1,366,589.04
				Prepaid & Overpaid Taxes.....	A-11	281,242.20	258,845.51
				Taxes Payable.....	A-12	39,962,779.00	39,283,081.00
Total.....		8,528,067.75	8,978,575.89	Less Deferred School Taxes.....	A-12	(39,717,758.00)	(38,867,758.00)
Receivable Offset by Reserves:				Filing Fees Due State of NJ.....	A-9	28,794.00	14,330.00
Municipal Service Reimburse.....	A-9	3,400.00	3,400.00	Reserve, Tax Appeals.....	A-9	360,803.86	340,803.86
Property Tax Receivables.....	A-7	1,626.06	-	Reserve, Rental Inspections.....	A-9	180.00	180.00
Tax Title Liens Receivables.....	A-7	413,593.82	392,948.37	Reserve, FMBA Health.....	A-9	21,423.88	17,134.57
Property Acquired for Taxes.....	A-7	161,970.58	161,970.58				
Due From Grant Fund.....	A-18	125,000.00	-	Total Cash Liabilities.....		2,453,944.40	3,438,727.51
Total.....	A	705,590.46	558,318.95	Reserve for Accounts Receivable.....	A	705,590.46	558,318.95
				Fund Balance.....	A-1	6,074,123.35	5,539,848.38
Total Current Fund.....		\$ 9,233,658.21	\$ 9,536,894.84	Total Current Fund.....		\$ 9,233,658.21	\$ 9,536,894.84
<u>Grant Fund:</u>							
Cash.....	A-4	\$ 2,276.46	\$ 252,925.36	Unappropriated Grant Reserves.....	A-15	\$ 77,669.66	\$ 68,746.47
Grant Accounts Receivable.....	A-16	2,143,674.24	1,215,283.33	Reserve for Encumbrances.....	A-17	791,736.80	378,660.04
				Due to Current Fund.....	A-18	125,000.00	-
				Appropriated Grant Reserves.....	A-17	1,151,544.24	1,020,802.18
Total Grant Fund.....		\$ 2,145,950.70	\$ 1,468,208.69	Total Grant Fund.....		\$ 2,145,950.70	\$ 1,468,208.69
Total.....		\$ 11,379,608.91	\$ 11,005,103.53	Total.....		\$ 11,379,608.91	\$ 11,005,103.53

Note: See Notes to Financial Statements

TOWNSHIP OF NORTH BRUNSWICK  
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND  
COMPARATIVE STATEMENT OF OPERATIONS AND  
CHANGES IN FUND BALANCE - REGULATORY BASIS  
FOR THE FISCAL YEARS ENDED JUNE 30, 2016 AND 2015

	<u>Ref.</u>	June 30, 2016	June 30, 2015
<u>Revenue and Other Realized Income</u>			
Surplus Anticipated.....	A-1,A-2	\$ 2,850,000.00	\$ 3,250,000.00
Miscellaneous Revenues Anticipated.....	A-2	13,128,845.94	12,037,884.74
Receipts from Current Taxes.....	A-7	129,854,749.72	129,527,676.68
Non Budget Revenue (MRNA).....	A-8	330,809.39	693,856.16
Unexpended Balance of Appropriation Reserves.....	A-10	830,779.85	874,283.22
Interfund Returned.....	A-14	-	9,689.34
Grants Adjustment	A-18	14.96	-
Other Adjustments:			
Accounts Payable and Reserves Canceled.....	A-9	70,703.00	74,184.80
Total Revenue and Realized Income.....		<u>147,065,902.86</u>	<u>146,467,574.94</u>
<u>Expenditures</u>			
Budget Appropriations.....	A-3	45,268,480.97	44,508,898.98
Tax Collections			
County Taxes.....	A-12	17,789,165.79	18,917,427.45
Local School District Taxes.....	A-12	80,605,256.00	79,446,529.00
Less Additional School Taxes Deferred.....	A-12	(850,000.00)	(850,000.00)
Municipal Open Space Trust Fund.....	A-12	737,850.13	741,692.91
Interfund - Grant Fund.....	A-4	125,000.00	-
Prior Year Senior Citizens & Vet Adjustment.....	A-6,A-7	5,875.00	5,125.13
TTL Interest and Costs.....	A-7	-	-
Petty Cash Adjustment.....	A-5	-	50.00
Total Expenditures.....		<u>143,681,627.89</u>	<u>142,769,723.47</u>
Statutory Excess.....	A-1	3,384,274.97	3,697,851.47
Fund Balance, Beginning of Year.....	A	5,539,848.38	5,091,996.91
Decreased by Surplus Anticipated.....	A-1, A-2	<u>(2,850,000.00)</u>	<u>(3,250,000.00)</u>
Fund Balance, End of Year.....	A	<u>\$ 6,074,123.35</u>	<u>\$ 5,539,848.38</u>

Note: See Notes to Financial Statements

TOWNSHIP OF NORTH BRUNSWICK  
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND  
STATEMENT OF REVENUE - REGULATORY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Ref.	Anticipated SFY 2016	N.J.S.A. 40A: 4-87	Realized	Excess (Deficit)
Surplus Anticipated.....	A-1	\$ 2,850,000.00		\$ 2,850,000.00	
<u>Miscellaneous Revenues:</u>					
Licenses - Alcoholic Beverages.....		53,000.00		53,400.00	400.00
Licenses - Other.....		206,720.00		192,796.70	(13,923.30)
Fees & Permits.....		260,316.00		297,250.75	36,934.75
Fines & Costs - Municipal Court.....		1,130,000.00		1,245,585.33	115,585.33
Interest & Costs on Taxes.....		140,000.00		127,511.26	(12,488.74)
Interest on Investments and Deposits.....		66,718.00		113,066.17	46,348.17
Water & Sewer Operating Funds.....		875,000.00		875,000.00	-
Fire Prevention Fines & Fees.....		152,700.00		151,918.36	(781.64)
Cable Television Franchise Fee.....		147,000.00		146,311.00	(689.00)
Hotel Tax.....		188,000.00		195,791.51	7,791.51
Payments In Lieu of Taxes (PILOT)					
Sr Citizens Housing Complex.....		268,000.00		250,150.00	(17,850.00)
Technology Center of NJ.....		1,070,000.00		1,275,414.94	205,414.94
Uniform Construction Code Fees.....		567,000.00		829,446.00	262,446.00
Uniform Fire Safety Act.....		68,000.00		61,455.89	(6,544.11)
Open Space Trust Fund.....		850,000.00		850,000.00	-
General Capital Surplus.....		200,000.00		200,000.00	-
Library Contribution.....		92,000.00		103,713.53	11,713.53
School Soil Remediation Debt.....				5,778.86	5,778.86
State Aid:					
Consolidated Municipal					
Property Tax Relief Aid.....		191,811.00		124,150.00	(67,661.00)
Energy Receipts Tax.....		4,295,158.00		4,362,819.00	67,661.00
Watershed Moratorium Aid.....		4,653.00		4,653.00	-
Sub-total.....		10,826,076.00		11,466,212.30	640,136.30

Public and Private Revenues

Offset with Appropriations:

Public Safety:

Drunk Driving Enforcement Fund.....	-	6,483.89	6,483.89
Highway Safety - Safe Corridors.....	-	42,708.04	42,708.04
Click it or Ticket.....	-	5,000.00	5,000.00
MCPO Task Force.....	-	12,000.00	12,000.00
Safe and Secure.....	-	60,000.00	60,000.00
Bullet Proof Vests.....	-	18,307.73	18,307.73
Body Armor Grant - State.....	-	7,319.73	7,319.73
Drive Sober or Get Pulled Over.....	5,000.00	-	5,000.00
Pedestrian Safety, Education and Enforcement.....	-	15,000.00	15,000.00
OEM EMMA.....	5,000.00	-	5,000.00

TOWNSHIP OF NORTH BRUNSWICK  
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND  
STATEMENT OF REVENUE - REGULATORY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Ref.</u>	Anticipated SFY 2016	N.J.S.A. 40A: 4-87	Realized	Excess (Deficit)
Municipal Court					
Alcohol Education & Enforce Fund.....		1,237.60	-	1,237.60	
Parks Recreation & Community Service					
Municipal Alliance.....		41,482.00	-	41,482.00	
Senior Center Outreach Grant.....		-	9,500.00	9,500.00	
Senior Center Congregate Meals.....		-	16,500.00	16,500.00	
Senior Center Transportation Program.....		-	5,000.00	5,000.00	
Heritage Day (County/Federal).....		-	6,000.00	6,000.00	
Green Acres.....		825,000.00	-	825,000.00	
Cablevision.....		-	45,600.00	45,600.00	
Community Development					
NJDOT - Improvements to Stevens Street.....		400,000.00	-	400,000.00	
Public Works:					
Recycling Tonnage Grant.....		-	64,644.79	64,644.79	
E-Waste Recycling.....		3,340.99	-	3,340.99	
Clean Communities.....		67,508.87	-	67,508.87	
Sub-total.....		1,348,569.46	314,064.18	1,662,633.64	
Current Fund Total Miscellaneous.....	A-1	12,174,645.46	-	13,128,845.94	640,136.30
Local Purpose Tax.....	A- 7	29,097,252.00	-	29,888,815.81	791,563.81
Library Tax.....	A-7	1,480,011.00	-	1,480,011.00	
Sub-total.....		30,577,263.00		31,368,826.81	791,563.81
Total General Revenues.....	A-1	\$ 45,601,908.46	\$ -	\$ 47,347,672.75	\$1,431,700.11
	<u>Ref.</u>	A-3	A-3	A-1	
Federal & State Grants.....			<u>Ref.</u>		
			A-15	\$ 1,662,633.64	
Cash.....			A-4	11,466,212.30	
Total Miscellaneous Revenue.....				<u>\$ 13,128,845.94</u>	

Note: See Notes to Financial Statements



## MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	#	SFY 2016 Budget		Modified Budget		Expended		Encumbered		Balance Canceled	Balance Reserved	
		Salaries	Other	Salaries	Other	Salaries	Other	Salary	Other Expenses		Salaries	Other
General Government:												
Administration		\$ 535,036.00	\$ 37,290.00	\$ 535,036.00	\$ 37,290.00	\$ (505,766.96)	\$ (23,467.73)		\$ (13,177.95)		\$ 29,269.04	\$ 644.32
Municipal Clerk		199,442.00	29,000.00	199,442.00	29,000.00	(173,962.58)	14,617.98		(15,079.85)		25,479.42	28,538.13
Financial Administration		244,946.00	31,750.00	238,446.00	41,750.00	(220,061.81)	(40,038.54)		(55,000.00)		18,384.19	1,711.46
Audit			55,000.00		55,000.00							-
Information Technology		178,584.00	64,600.00	178,584.00	64,600.00	(167,120.34)	(37,323.35)		(27,227.90)		11,463.66	48.75
Tax Collection		124,488.00	39,250.00	124,488.00	49,250.00	(123,287.29)	(26,350.76)		(19,887.54)		1,200.71	3,011.70
Tax Assessment		137,021.00	87,000.00	137,021.00	97,000.00	(135,930.99)	(66,931.02)		(20,830.50)		1,090.01	9,238.48
Reserve for Tax Appeals			20,000.00		20,000.00		(20,000.00)				-	-
Legal			330,000.00		385,000.00		(338,664.25)		(18,851.06)		-	27,484.69
Insurance:												
Other Insurance			1,100,784.00		1,100,784.00		(1,099,182.70)		(1,000.00)		-	601.30
Employee Group Insurance			4,948,000.00		4,908,000.00		(4,828,353.74)		(1,361.70)		-	78,284.56
Health Benefit Waiver			50,000.00		50,000.00		(49,747.10)				-	252.90
Community Development												
Engineering		104,865.00	106,250.00	104,865.00	105,250.00	(102,514.08)	(33,802.92)		(37,262.00)		2,350.92	34,185.08
Planning		267,183.00	17,000.00	267,183.00	17,000.00	(265,095.05)	(7,775.94)		(3,185.00)		2,087.95	6,039.06
Zoning		109,564.00	6,050.00	110,564.00	6,050.00	(109,486.81)	(5,754.37)		(145.00)		1,077.19	150.63
Affordable Housing		3,600.00		3,600.00		(3,300.00)					300.00	-
Code Enforcement		96,176.00	3,250.00	96,176.00	4,250.00	(90,810.78)	(2,755.33)		(1,056.50)		5,365.22	438.17
Fire Safety		196,284.00	8,250.00	171,284.00	8,250.00	(159,909.56)	(6,799.24)		(1,438.71)		11,374.44	12.05
Uniform Construction Code		323,426.00	32,300.00	313,426.00	42,300.00	(299,639.16)	(26,947.21)		(8,444.50)		13,786.84	6,908.29
Public Safety:												
Police		12,506,169.00	497,200.00	12,506,169.00	485,100.00	(12,446,379.67)	(389,451.47)		(66,705.65)		59,789.33	28,942.88
Emergency Management		183,460.00	95,050.00	183,460.00	95,050.00	(159,960.44)	(80,058.65)		(1,350.34)		23,499.56	13,641.01
Volunteer Fire Departments			198,000.00		198,000.00		(191,514.78)		(4,431.56)		-	2,053.66
First Aid Organizations			65,000.00		65,000.00		(60,000.00)		(4,943.00)		-	57.00
Length of Service Award Program			78,000.00		78,000.00		(58,059.52)		(9,532.16)		-	10,408.32
Juvenile Aid		2,400.00	5,000.00	2,400.00	5,000.00	(2,400.00)	(4,706.84)		(293.16)		-	-
Municipal Court		432,321.00	29,550.00	440,321.00	32,050.00	(438,076.28)	(30,354.22)		(400.90)		2,244.72	1,294.88
Public Defender			5,000.00		5,000.00		(4,000.00)				-	1,000.00

## MIDDLESEX COUNTY, NEW JERSEY

## CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	#	SFY 2016 Budget		Modified Budget		Expended		Encumbered		Balance Canceled	Balance Reserved	
		Salaries	Other	Salaries	Other	Salaries	Other	Salary	Other Expenses		Salaries	Other
Public Works:												
Streets and Roads		671,977.00	187,850.00	635,477.00	197,850.00	(592,469.84)	(147,146.16)		(21,359.48)		43,007.16	29,344.36
Sanitation		633,619.00	396,450.00	633,619.00	396,450.00	(598,401.70)	(392,915.68)		(2,067.00)		35,217.30	1,467.32
Solid Waste Disposal Fees			805,000.00	-	845,000.00		(809,555.55)		(474.45)		-	34,970.00
Recycling			249,950.00	-	269,950.00		(267,843.33)		(740.57)		-	1,366.10
Buildings and Grounds		269,217.00	190,700.00	269,217.00	180,700.00	(262,580.75)	(137,718.64)		(32,883.86)		6,636.25	10,097.50
Motor Vehicle Maintenance		338,138.00	373,800.00	303,138.00	423,800.00	(297,006.57)	(374,271.25)		(32,995.02)		6,131.43	16,533.73
Muni Service Reimbursement				-	-							
Condominiums			69,500.00	-	69,500.00		1,238.67				-	70,738.67
NIDEP - Stormwater Permit		380,892.00	16,000.00	380,892.00	16,000.00	(374,975.12)	(9,801.70)				5,916.88	6,198.30
Parks Recreation & Community Services				-	-							
Board of Health			90,000.00	-	91,100.00		(91,071.46)				-	28.54
Animal Control		1,000.00	50,000.00	1,000.00	50,000.00		(44,166.66)				1,000.00	5,833.34
Environmental Commission		1,200.00	850.00	1,200.00	850.00	(1,200.00)	(360.00)				-	490.00
Recreation & Community Services		235,561.00	72,300.00	240,561.00	72,300.00	(236,343.92)	(64,227.66)		(7,349.84)		4,217.08	722.50
Senior Services		120,304.00	81,400.00	124,304.00	132,400.00	(123,219.23)	(111,475.56)		(2,362.53)		1,084.77	18,561.91
Parks and Playgrounds		558,633.00	327,350.00	558,633.00	327,350.00	(537,955.32)	(300,674.48)		(26,649.11)		20,677.68	26.41
Education - Library			1,480,011.00	-	1,480,011.00		(1,480,011.00)				-	-
Unclassified				-	-							
Salary Adjustments			17,500.00	-	-						-	-
Utilities / Facilities Costs			1,725,500.00	-	1,630,500.00		(1,450,572.27)		(26,754.42)		-	153,173.31
Contingency			100.00	-	100.00						-	100.00
Statutory Expenditures:				-	-							
Public Employees Retirement			891,885.00	-	891,885.00		(877,885.00)				-	14,000.00
Police & Fire Retirement			2,350,727.00	-	2,350,727.00		(2,350,727.00)				-	-
Defined Contribution (DCRP)			10,000.00	-	10,000.00		(4,169.57)				-	5,830.43
Social Security			1,327,372.00	-	1,327,372.00		(1,262,006.91)				-	65,365.09
Unemployment Compensation			20,000.00	-	20,000.00		(20,000.00)				-	-
Matching Funds for Grants			19,629.50	-	16,629.50						-	16,629.50
Sub-Total Operations		18,855,506.00	18,692,448.50	18,760,506.00	18,784,448.50	(18,427,854.25)	(17,612,782.91)	-	(465,241.26)		332,651.75	706,424.33

## MIDDLESEX COUNTY, NEW JERSEY

## CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	#	SFY 2016 Budget		Modified Budget		Expended		Encumbered		Balance		Balance Reserved	
		Salaries	Other	Salaries	Other	Salaries	Other	Salary	Other Expenses	Canceled		Salaries	Other
Public & Private Programs Offset by Revenues:													
Public Safety:	\$	-	\$	\$	-	\$	-					\$	-
Drunk Driving Enforcement Fund			-	6,483.89			(6,483.89)						
Highway Safety - Safe Corridors			-	42,708.04			(42,708.04)						
MCPO Task Force			-	12,000.00			(12,000.00)						
Drive Sober or Get Pulled Over			5,000.00	5,000.00			(5,000.00)						
Safe and Secure			-	60,000.00			(60,000.00)						
Bullet Proof Vests			-	18,307.73			(18,307.73)						
Body Armor Grant			-	7,319.73			(7,319.73)						
Pedestrian Safety, Education and Enforcement			-	15,000.00			(15,000.00)						
Click it or Ticket			-	5,000.00			(5,000.00)						
Hazard Mitigation Grant Program - Energy Allocation			5,000.00	5,000.00			(5,000.00)						
Municipal Court				-			-						
Alcohol Education & Enforce Fund			1,237.60	1,237.60			(1,237.60)						
Parks Recreation & Community Service				-			-						
Municipal Alliance			51,852.50	51,852.50			(51,852.50)						
Senior Center Outreach Grant			-	9,500.00			(9,500.00)						
Senior Center Congregate Meals			-	16,500.00			(16,500.00)						
Senior Center Transportation Program			-	5,000.00			(5,000.00)						
Heritage Day (County/Federal)			-	9,000.00			(9,000.00)						
Green Acres			825,000.00	825,000.00			(825,000.00)						
Cabevision				45,600.00			(45,600.00)						
Community Development				-			-						
NIDOT - Improvements to Nassau Street			400,000.00	400,000.00			(400,000.00)						
Public Works:				-			-						
Recycling Tonnage Grant			-	64,644.79			(64,644.79)						
Clean Communities			67,508.87	67,508.87			(67,508.87)						
E-Waste			3,340.99	3,340.99			(3,340.99)						

## MIDDLESEX COUNTY, NEW JERSEY

## CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	#	SPY 2016 Budget Salaries	Other	Modified Budget Salaries	Other	Expenditures Salaries	Other	Encumbered Salary	Other Expenses	Balance Canceled	Balance Reserved Salaries	Other
Public and Private Programs			1,358,939.96		1,676,004.14		(1,676,004.14)					
Total Operations		18,855,506.00	20,051,388.46	18,760,506.00	20,460,452.64	(18,427,854.25)	(19,288,787.05)	-	(465,241.26)	-	332,651.75	706,424.33
Capital Improvements: Capital Improvement Fund		-	331,000.00	-	331,000.00		(331,000.00)					
Total Capital Improvements		-	331,000.00	-	331,000.00	-	(331,000.00)			-		
Debt Service: Bond Principal Interest on Bonds Note Principal Interest on Notes		-	4,112,210.00 1,221,360.00 49,795.00 334,300.00	-	4,112,210.00 1,221,360.00 49,795.00 334,300.00	(4,112,202.77) (1,221,153.17) (49,795.00) (333,371.39)				(7.23) (206.83) - (928.61)		
Total Debt Service		-	5,717,665.00	-	5,717,665.00	-	(5,716,522.33)		-	(1,142.67)		
Total Reserve for Uncollected Taxes		18,855,506.00	26,100,053.46 646,349.00	18,760,506.00	26,509,117.64 646,349.00	(18,427,854.25)	(25,336,309.38) (646,349.00)	-	(465,241.26)	(1,142.67)	332,651.75	706,424.33
Total Current Fund Budget		18,855,506.00	26,746,402.46	18,760,506.00	27,155,466.64	(18,427,854.25)	(25,982,658.38)	-	(465,241.26)	(1,142.67)	332,651.75	706,424.33
Total Current Fund Budget		\$ 18,855,506.00	\$ 26,746,402.46	\$ 18,760,506.00	\$ 27,155,466.64	\$ (18,427,854.25)	\$ (25,982,658.38)	\$ -	\$ (465,241.26)	\$ (1,142.67)	\$ 332,651.75	\$ 706,424.33
Adopted Budget: Salaries Other Expenses Total Adopted Budget Budget Amendments-NUSA 40A-4-87 Total Modified Budget		\$ 18,855,506.00 26,746,402.46 45,601,908.46 314,064.18 \$ 45,915,972.64		Cash Disbursed..... Reserve for Tax Appeals..... Reserve for Uncollected Taxes..... State & Federal Grants..... Total Paid or Charged.....		A-4 \$ (42,068,159.49) A-9 (20,000.00) A-7 (646,349.00) A-16 (1,676,004.14) \$ (44,410,512.63)		A	A			

Note: See Notes to Financial Statements

TOWNSHIP OF NORTH BRUNSWICK  
MIDDLESEX COUNTY, NEW JERSEY

TRUST FUNDS  
 COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
JUNE 30, 2016 AND 2015

		June 30, 2016	June 30, 2015
<u>ASSETS</u>			
Cash.....	<u>Ref.</u> B-2	\$ 4,972,400.25	\$ 4,649,786.37
Investment LOSAP, Funds held by Trustee (unaudited)....	B	1,067,157.95	1,076,980.80
Trust Assessment - Accounts Receivable.....	B-1	71,055.00	71,055.00
Trust Other - Accounts Receivable			
Middlesex County			
CDBG - FY 2012.....	B-2	-	17,428.75
CDBG - FY 2013.....	B-2	-	10,951.00
CDBG - FY 2014.....	B-2	95.00	55,322.57
CDBG - FY 2015.....	B-2	461.67	98,197.00
CDBG - FY 2016.....	B-2	181,902.00	-
Total.....		<u>\$ 6,293,071.87</u>	<u>\$ 5,979,721.49</u>
<u>LIABILITIES</u>			
LOSAP Funds (unaudited).....	B	\$ 1,067,157.95	\$ 1,076,980.80
Trust Assessment - Reserve for Receivables.....	B-1	71,055.00	71,055.00
Parks and Recreation			
Due NJ - Animal License Fees.....	B-2	63.60	39.00
Due to Current Fund.....	B-2	-	-
Animal Control Reserves.....	B-2	36,795.00	28,125.27
Recreation Programs.....	B-2	1,005,197.81	1,004,174.79
Open Space.....	B-2	324,532.99	534,810.91
Finance			
NJ Unemployment.....	B-2	168,869.46	191,189.04
Terminal Leave.....	B-2	610,660.85	107,571.40
Tax Sale, Premium on TTL.....	B-2	1,136,900.00	1,277,300.00
Payroll Liabilities Payable.....	B-2	19,566.24	20,320.02

TOWNSHIP OF NORTH BRUNSWICK  
MIDDLESEX COUNTY, NEW JERSEY

TRUST FUNDS  
 COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
JUNE 30, 2016 AND 2015

		June 30, 2016	June 30, 2015
<hr/>			
Public Safety			
Forfeited Funds.....	B-2	18,907.21	50,262.09
Seized Funds.....	B-2	17,399.10	913.00
Unclaimed Funds.....	B-2	3,793.59	5,917.80
Outside Employment.....	B-2	9,292.15	9,493.56
Uniform Fire Code.....	B-2	34,491.58	29,638.61
Municipal Court			
Handicapped Parking.....	B-2	850.00	250.00
Public Defender.....	B-2	25,400.59	24,704.59
POAA Fines.....	B-2	663.57	505.57
Public Works - Snow Removal.....	B-2	148,776.23	107,336.78
Donations, Gifts, & Bequests.....	B-2	4,144.55	3,889.55
Community Development Block Grant			
CDBG - FY12.....	B-2	1,137.95	18,741.98
CDBG - FY13.....	B-2	-	10,951.00
CDBG - FY14.....	B-2	95.00	25,614.00
CDBG - FY15.....	B-2	-	5,493.72
CDBG - FY16.....	B-2	93,199.51	-
Community Development Department			
Growth Share Reserve.....	B-2	107,597.23	117,281.53
Third Party UCC Inspections.....	B-2	71,120.25	53,619.65
Developers' Escrow.....	B-2	1,315,404.46	1,203,540.30
Regional Contribution Agreement			
Affordable Housing Contribution, Phase II.....	B-2	-	1.53
<hr/>			
Total.....		<u>\$ 6,293,071.87</u>	<u>\$ 5,979,721.49</u>

Note: See Notes to Financial Statements

TOWNSHIP OF NORTH BRUNSWICK  
MIDDLESEX COUNTY, NEW JERSEY

GENERAL CAPITAL FUND  
 COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
JUNE 30, 2016 AND 2015

	<u>Ref.</u>	June 30, 2016	June 30, 2015
<u>ASSETS</u>			
Cash.....	C-2	\$ 507,174.85	\$ 6,257,165.84
Deferred Charges to Future Taxation:			
Funded.....	C-4	46,725,750.00	35,837,750.00
Unfunded.....	C-5	32,330,063.00	41,242,500.00
Total.....		<u>\$ 79,562,987.85</u>	<u>\$ 83,337,415.84</u>
<u>LIABILITIES, RESERVES, &amp; FUND BALANCE</u>			
Outstanding Debt:			
Bond Anticipation Notes Payable.....	C-8	\$ 23,200,000.00	\$ 33,430,000.00
Serial Bonds Payable.....	C-7	46,725,750.00	35,837,750.00
Improvement Authorizations:			
Funded.....	C-6	1,114,753.02	2,000.00
Unfunded.....	C-6	2,111,158.00	3,368,249.09
Reserve for Encumbrances.....	C-6	5,230,170.22	7,149,469.23
Reserve to Retire Debt.....	C-10	696,313.28	3,242,451.69
Capital Improvement Fund.....	C-9	342.00	342.00
Fund Balance.....	C-1	484,501.33	307,153.83
Total.....		<u>\$ 79,562,987.85</u>	<u>\$ 83,337,415.84</u>
Bonds & Notes Authorized not Issued.....	C-11	<u>\$ 9,130,063.00</u>	<u>\$ 7,812,500.00</u>

Note: See Notes to Financial Statements

TOWNSHIP OF NORTH BRUNSWICK  
MIDDLESEX COUNTY, NEW JERSEY

GENERAL CAPITAL FUND  
 STATEMENT OF CAPITAL FUND BALANCE - REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2016

	<u>Ref.</u>	
Balance June 30, 2015.....	C	\$ 307,153.83
Increased by Cash Receipts		
Premium on Sale of Notes.....	C-2	<u>377,347.50</u>
		684,501.33
Decreased by Cash Disbursements		
Surplus - Anticipated in Current Fund.....	C-2	<u>(200,000.00)</u>
Balance June 30, 2016.....	C	<u>\$ 484,501.33</u>

Note: See Notes to Financial Statements



TOWNSHIP OF NORTH BRUNSWICK  
MIDDLESEX COUNTY, NEW JERSEY

WATER UTILITY FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
JUNE 30, 2016 AND 2015

Assets	Ref.	June 30, 2016	June 30, 2015	Liabilities	Ref.	June 30, 2016	June 30, 2015
<u>Water Operating</u>							
Cash.....	D-6	\$ 3,029,025.49	\$ 2,232,732.73	Reserve for Encumbrances.....	D-5,D-10	\$ 718,336.57	\$ 127,009.63
				Appropriation Reserves.....	D-5,D-10	51,495.16	128,104.69
				Accounts Payable.....	D-10	12,863.15	-
				Accrued Interest Payable.....	D-13	373,180.92	341,470.52
				Total Liabilities.....		1,155,875.80	596,584.84
				Fund Balance.....	D-1	1,873,149.69	1,636,147.89
Total Water Operating Fund.....		\$ 3,029,025.49	\$ 2,232,732.73	Total Water Operating Fund.....		\$ 3,029,025.49	\$ 2,232,732.73
<u>Water Assessment</u>							
Cash.....	D-6	\$ 400,528.34	\$ 432,089.24	Reserve for:			
Assessment Receivable:				Accounts Receivable.....	D-20	\$ 428,093.72	\$ 493,707.82
Accounts Receivable.....	D-19	2,313,093.72	2,473,707.82	Liens Interest & Costs.....	D-20	288.00	288.00
Liens Interest & Costs.....	D-19	288.00	288.00	Serial Bonds Payable.....	D-21	1,885,000.00	1,980,000.00
				Fund Balance.....	D-3	400,528.34	432,089.24
Total Water Assessment Fund.....		\$ 2,713,910.06	\$ 2,906,085.06	Total Water Assessment Fund.....		\$ 2,713,910.06	\$ 2,906,085.06

TOWNSHIP OF NORTH BRUNSWICK  
MIDDLESEX COUNTY, NEW JERSEY

WATER UTILITY FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
JUNE 30, 2016 AND 2015

Assets	Ref.	June 30, 2016	June 30, 2015	Liabilities	Ref.	June 30, 2016	June 30, 2015
<u>Water Capital</u>							
Cash.....	D-6,D-7	\$ 850,992.11	\$ 802,004.29	<u>Water Capital</u>			
				Bond Anticipation Notes.....	D-14	\$ 2,000,000.00	\$ 2,493,670.00
				Serial Bonds Payable.....	D-12	14,265,170.00	13,553,000.00
				NJEIT Loan Obligation.....	D-15	12,378,971.33	14,178,255.36
				Improvement Authorizations:			
				Funded.....	D-11	136,056.00	-
				Unfunded.....	D-11	2,135,759.53	640,690.87
				Reserve for Encumbrances.....	D-11	717,130.23	1,781,797.07
				Reserve for Amortization.....	D-16	30,034,046.26	26,953,262.23
				Capital Improvement Fund.....	D-17	89,067.59	89,067.59
				Fund Balance.....	D-2	133,480.76	150,950.76
Total Water Capital Fund.....		\$ 61,889,681.70	\$ 59,840,693.88	Total Water Capital Fund.....		\$ 61,889,681.70	\$ 59,840,693.88
Total.....		\$ 67,632,617.25	\$ 64,979,511.67	Total.....		\$ 67,632,617.25	\$ 64,979,511.67

There were Bonds and Notes Authorized but Not Issued at June 30, 2016 and 2015 in the amounts of \$ 2,360,502.00 and \$1,860,502.00, respectively (Exhibit - D-21).

Note: See Notes to Financial Statements

TOWNSHIP OF NORTH BRUNSWICK  
MIDDLESEX COUNTY, NEW JERSEY

WATER UTILITY OPERATING FUND  
 COMPARATIVE STATEMENT OF OPERATIONS AND  
 CHANGES IN FUND BALANCE - REGULATORY BASIS  
FOR THE FISCAL YEARS ENDED JUNE 30, 2016 AND 2015

	Ref.	June 30, 2016	June 30, 2015
<u>Revenue and Other Realized Income</u>			
Surplus Anticipated.....	D-4	\$ 300,000.00	\$ 330,000.00
Water Rents.....	D-4	6,211,264.92	5,940,236.13
Connection Fees.....	D-4	185,705.00	12,085.00
Developer Contribution.....	D-4	151,090.00	157,090.00
Miscellaneous Revenues.....	D-4	644,219.07	655,510.27
Water Utility Capital Surplus.....	D-4	50,000.00	75,000.00
Water Utility Assessment Trust Fund Interest.....	D-4	97,175.00	100,875.00
Unexpended Balance of Appropriation Reserves.....	D-10	28,246.04	20,661.34
Water Utility Capital - Reserve for Water Sys Improv...	D-4	-	30,900.00
SREC Sales.....	D-4	26,414.90	14,625.00
Prior Years' Accounts Payable Canceled.....	D-10	-	3,092.85
Total Revenue and Realized Income.....		<u>7,694,114.93</u>	<u>7,340,075.59</u>
<u>Expenditures</u>			
Budget Appropriations.....	D-5	<u>(7,157,113.13)</u>	<u>(7,204,185.60)</u>
Total Expenditures.....		<u>(7,157,113.13)</u>	<u>(7,204,185.60)</u>
Statutory Excess.....		537,001.80	135,889.99
Decreased by Surplus Anticipated.....	D-1	(300,000.00)	(330,000.00)
Fund Balance, Beginning of Year.....	D	<u>1,636,147.89</u>	<u>1,830,257.90</u>
Fund Balance, End of Year.....	D	<u>\$ 1,873,149.69</u>	<u>\$ 1,636,147.89</u>

( ) Denotes Deficit or Deduction

Note: See Notes to Financial Statements

TOWNSHIP OF NORTH BRUNSWICK  
MIDDLESEX COUNTY, NEW JERSEY

WATER UTILITY CAPITAL FUND  
 STATEMENT OF FUND BALANCE - REGULATORY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016 AND JUNE 30, 2015

	<u>Ref.</u>	
Balance June 30, 2015.....	D	\$ 150,950.76
Increased by:		
Premium on BAN Sale .....	D-6	32,530.00
Decreased by:		
Use of Surplus in budget .....	D-6	(50,000.00)
Balance June 30, 2016	D	<u>\$ 133,480.76</u>

( ) Denotes Deficit or Deduction

Note: See Notes to Financial Statements

TOWNSHIP OF NORTH BRUNSWICK  
MIDDLESEX COUNTY, NEW JERSEY

WATER UTILITY TRUST ASSESSMENT FUND  
 STATEMENT OF FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2016

	<u>REF.</u>		
Balance - June 30, 2015	D	\$	432,089.24
Increased by:			
Collection of Pledged Assessments.....	D-20		<u>65,614.10</u> 497,703.34
Decrease by:			
Payment to Water Operating Fund as Anticipated Revenue.....	D-6		<u>97,175.00</u>
Balance - June 30, 2016	D	\$	<u><u>400,528.34</u></u>

Note: See Accompanying Notes to Financial Statements

TOWNSHIP OF NORTH BRUNSWICK  
MIDDLESEX COUNTY, NEW JERSEY

WATER UTILITY OPERATING FUND  
 STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Ref.</u>	Anticipated	Realized	Excess (Deficit)
Water Operating Surplus Anticipated	D-1	\$ 300,000.00	\$ 300,000.00	\$ -
Water Rents.....	D-1, D-6	6,008,000.00	6,211,264.92	203,264.92
Connection Fees.....	D-1, D-6	12,000.00	185,705.00	173,705.00
Dedicated Water Utility Assessment : Interest.....	D-1	95,750.00	97,175.00	1,425.00
Developer Contribution.....	D-1, D-6	152,000.00	151,090.00	(910.00)
Miscellaneous				
Meter Fees.....	D-1, D-6	500,000.00	515,826.70	15,826.70
Interest on Delinquent Accounts.....	D-1, D-6	40,000.00	39,274.00	(726.00)
Other.....	D-1, D-6	80,000.00	89,118.37	9,118.37
SREC Sales.....	D-1, D-6	-	26,414.90	26,414.90
Water Utility Capital Surplus.....	D-1, D-6	50,000.00	50,000.00	-
Water Utility Operating Fund Total.....		<u>\$ 7,237,750.00</u>	<u>\$ 7,665,868.89</u>	<u>\$ 428,118.89</u>

Ref.

D-5

( ) Denotes Deficit or Deduction

Note: See Notes to Financial Statements

TOWNSHIP OF NORTH BRUNSWICK  
MIDDLESEX COUNTY, NEW JERSEY

WATER UTILITY OPERATING FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2016

	Budget			Encumbrances	Canceled	Reserved
	Original	Modified	Paid/Charged			
Operating Salaries.....	\$ 81,400.00	\$ 81,400.00	\$ (74,309.31)	\$ -	-	\$ 7,090.69
Operating Expenses.....	3,806,518.00	3,806,518.00	(3,043,776.96)	(718,336.57)	-	44,404.47
Debt - Bond Principal.....	1,281,500.00	1,281,500.00	(1,281,500.00)	-	-	-
Debt - Interest on Bonds.....	521,650.00	521,650.00	(521,610.49)	-	(39.51)	-
Debt - Interest on Notes.....	38,782.00	38,782.00	(38,781.41)	-	(0.59)	-
Debt - Note Principal.....	6,400.00	6,400.00	-	-	(6,400.00)	-
Debt - NJEIT.....	1,305,750.00	1,305,750.00	(1,231,553.23)	-	(74,196.77)	-
Water Assessment - Bond Interest.....	95,750.00	95,750.00	(95,750.00)	-	-	-
Surplus - Current Fund.....	100,000.00	100,000.00	(100,000.00)	-	-	-
Total Water Utility Operating.....	\$ 7,237,750.00	\$ 7,237,750.00	\$ (6,387,281.40)	\$ (718,336.57)	\$ (80,636.87)	\$ 51,495.16
	D-4	D-1		D	D-1	D
Cash.....			\$ (6,355,571.00)			
Accrued Interest 6/30/2015.....			341,470.52			
Accrued Interest 6/30/2016.....			(373,180.92)			
Total Paid or Charged.....			\$ (6,387,281.40)			

( ) Denotes deficit or deduction.

Note: See Notes to Financial Statements

TOWNSHIP OF NORTH BRUNSWICK  
MIDDLESEX COUNTY, NEW JERSEY

SEWER UTILITY FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
JUNE 30, 2016 AND 2015

<u>Assets</u>	<u>Ref.</u>	June 30, 2016	June 30, 2015	<u>Liabilities</u>	<u>Ref.</u>	June 30, 2016	June 30, 2015
<u>Sewer Utility Operating:</u>							
Cash.....	E-5	\$ 3,099,672.64	\$ 2,991,124.20	Encumbrances Payable.....	E-4,E-9	\$ 140,784.33	\$ 114,584.81
				Appropriation Reserves.....	E-4,E-9	286,653.40	229,573.91
				Accounts Payable.....	E-9	1,575.29	-
				Accrued Interest Payable.....	E-11	162,818.86	137,228.07
				Total Liabilities.....		591,831.88	481,386.79
				Fund Balance.....	E-1	2,507,840.76	2,509,737.41
Total Sewer Operating Fund.....		\$ 3,099,672.64	\$ 2,991,124.20	Total Sewer Operating Fund.....		\$ 3,099,672.64	\$ 2,991,124.20
<u>Sewer Utility Capital:</u>							
Cash.....	E-5,E-6	\$ 1,266,740.38	\$ 681,374.32	Debt			
Fixed Capital				NJ EIT Loan Payable.....	E-12	\$ 593,032.65	\$ 653,071.57
Completed.....	E-7	21,577,910.79	13,795,637.00	Serial Bonds.....	E-10	11,686,830.00	10,612,000.00
Authorized and Uncompleted..	E-8	7,007,726.21	13,790,000.00	BAN.....	E-16	1,500,000.00	2,687,087.00
				Improvement Authorizations:			
				Funded .....	E-13	135,061.00	117,706.00
				Unfunded .....	E-13	6,872,665.21	6,469,869.04
				Encumbrances.....	E-13	551,714.37	410,897.48
				Reserve for:			
				Amortization.....	E-15	7,962,462.35	6,790,166.43
				Deferred Amortization.....	E-15	370,000.00	370,000.00
				Capital Improvement Fund.....	E-14	28,900.00	28,900.00
				Fund Balance.....	E-2	151,711.80	127,313.80
Total Sewer Capital Fund.....		\$ 29,852,377.38	\$ 28,267,011.32	Total Sewer Capital Fund.....		\$ 29,852,377.38	\$ 28,267,011.32
Total Sewer Utility Funds.....		\$ 32,952,050.02	\$ 31,258,135.52	Total Sewer Utility Funds.....		\$ 32,952,050.02	\$ 31,258,135.52

Note: See Notes to Financial Statements  
There were Bonds and Notes Authorized but Not Issued at June 30, 2016 and 2015 in the amount of \$ 6,473,312.00 (Exhibit E-17).



TOWNSHIP OF NORTH BRUNSWICK  
MIDDLESEX COUNTY, NEW JERSEY

SEWER UTILITY OPERATING FUND  
 COMPARATIVE STATEMENT OF OPERATIONS AND  
 CHANGES IN FUND BALANCE - REGULATORY BASIS  
FOR THE FISCAL YEARS ENDED JUNE 30, 2016 AND 2015

	<u>Ref.</u>	June 30, 2016	June 30, 2015
<u>Revenue and Other Realized Income</u>			
Fund Balance Utilized.....	E-1	\$ 475,000.00	\$ 384,000.00
Sewer Rents.....	E-3	6,580,480.14	6,341,476.19
Connection Fees.....	E-3	13,675.00	10,050.00
Unexpended Balance of Appropriation Reserves.	E-9	310,503.13	46,058.95
Adjustment to Balance Cash.....		0.01	21,061.57
Total Revenue and Realized Income.....		7,379,658.28	6,802,646.71
Budget Appropriations.....	E-4	(6,906,554.93)	(6,498,994.71)
Statutory Excess.....		473,103.35	303,652.00
Fund Balance, Beginning of Year.....	E	2,509,737.41	2,590,085.41
Decreased by:			
Utilized as Anticipated Surplus.....	E-3	475,000.00	384,000.00
Fund Balance, End of Year.....	E	<u>\$ 2,507,840.76</u>	<u>\$ 2,509,737.41</u>

Note: See Notes to Financial Statements

TOWNSHIP OF NORTH BRUNSWICK  
MIDDLESEX COUNTY, NEW JERSEY

SEWER UTILITY CAPITAL FUND  
 STATEMENT OF FUND BALANCE - REGULATORY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Ref.</u>	
Balance June 30, 2015.....	E	\$ 127,313.80
Premium on BAN .....	E-5	24,398.00
		<hr/>
Balance June 30, 2016.....	E	<u><u>\$ 151,711.80</u></u>

( ) Denotes Deficit or Deduction

Note: See Notes to Financial Statements

TOWNSHIP OF NORTH BRUNSWICK  
MIDDLESEX COUNTY, NEW JERSEY

SEWER UTILITY OPERATING FUND  
 STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Ref.</u>	Anticipated	Realized	Excess (Deficit)
Operating Surplus Anticipated.	E-1	\$ 475,000.00	\$ 475,000.00	\$ -
Sewer Rents.....	E-1	6,425,422.00	6,580,480.14	155,058.14
Connection Fees.....	E-1	10,000.00	13,675.00	3,675.00
Sewer Utility Operating Fund Total.....		<u>\$ 6,910,422.00</u>	<u>\$ 7,069,155.14</u>	<u>\$ 158,733.14</u>
	<u>Ref.</u>	E-4	E-5	

Note: See Notes to Financial Statements

TOWNSHIP OF NORTH BRUNSWICK  
MIDDLESEX COUNTY, NEW JERSEY

SEWER UTILITY OPERATING FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2016

	Budget	Modified Budget	Cash Disbursed	Encumbrances	Canceled	Reserved
Operating Salaries & Wages.....	\$ 445,327.00	\$ 445,327.00	\$ (396,455.06)	\$ -	\$ -	\$ 48,871.94
Operating Other Expenses.....	4,022,150.00	4,022,150.00	(3,643,584.21)	(140,784.33)	-	237,781.46
Statutory Expenditures						
PERS Retirement.....	14,000.00	14,000.00	(14,000.00)	-	-	-
Social Security.....	21,000.00	21,000.00	(21,000.00)	-	-	-
Debt Service:						
Debt - Bond Principal.....	1,111,500.00	1,111,500.00	(1,111,500.00)	-	-	-
Debt - Bond Interest.....	413,285.00	413,285.00	(413,283.21)	-	(1.79)	-
Debt - NJ EIT Principal.....	60,050.00	60,050.00	(60,038.92)	-	(11.08)	-
Debt - NJ EIT Interest.....	15,750.00	15,750.00	(11,976.68)	-	(3,773.32)	-
Debt - NJ EIT Administration.....	1,710.00	1,710.00	(1,710.00)	-	-	-
Debt - Note Principal.....	800.00	800.00	(757.00)	-	(43.00)	-
Debt - Interest on Notes.....	29,850.00	29,850.00	(29,812.12)	-	(37.88)	-
Surplus - Current Fund.....	775,000.00	775,000.00	(775,000.00)	-	-	-
Total Sewer Utility Operating..	\$ 6,910,422.00	\$ 6,910,422.00	\$ (6,479,117.20)	\$ (140,784.33)	\$ (3,867.07)	\$ 286,653.40

	Ref	E-3	E-1	E	E-1	E
Cash.....	Ref.					
Accrued Interest June 30, 2015.....	E-5			\$ (6,453,526.40)		
Accrued Interest June 30, 2016.....	E-11			137,228.06		
	E-11			(162,818.86)		
Total Paid or Charged.....				\$ (6,479,117.20)		

( ) Denotes deficit or deduction.

Note: See Notes to Financial Statements

TOWNSHIP OF NORTH BRUNSWICK  
MIDDLESEX COUNTY, NEW JERSEY

STATEMENT OF GOVERNMENTAL FIXED ASSETS - REGULATORY BASIS  
 JUNE 30, 2016 AND JUNE 30, 2015

	BALANCE 6/30/2016	BALANCE 6/30/2015
<u>GOVERNMENTAL FIXED ASSETS</u>		
Land	\$ 56,251,300.00	\$ 55,992,300.00
Buildings	18,030,500.00	18,030,500.00
Equipment	4,352,760.46	4,304,269.46
Vehicles	5,412,875.32	5,094,087.99
	<hr/>	<hr/>
Total Governmental Fixed Assets	\$ <u>84,047,435.78</u>	\$ <u>83,421,157.45</u>

Note: See Notes to Financial Statements

TOWNSHIP OF NORTH BRUNSWICK  
MIDDLESEX COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS  
THE FISCAL YEAR ENDED JUNE 30, 2016 AND JUNE 30, 2015

Note 1: FORM OF GOVERNMENT

The Township of North Brunswick is managed under a Mayor Council Administrator form of government. Under this plan, created by N.J.S.A. 40:69A-149 et seq., the Mayor and six Council members are elected at partisan elections for terms of four years and three years, respectively. The Township's major operations include public safety, road repair and maintenance, sanitation, fire protection, recreation and parks, health services, water and sewer, and general administrative services.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Except as noted below, the financial statements of the Township of North Brunswick include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Township of North Brunswick, as required by N.J.S.A. 40A: 5-5. Accordingly, the financial statements of the Township of North Brunswick do not include the operations of the municipal library, the board of education, first aid organizations, volunteer fire companies or senior housing.

B. Description of Funds

The accounting policies of the Township of North Brunswick conform to the accounting principles applicable to municipalities that have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Township of North Brunswick accounts for its financial transactions through the following separate funds:

Current Fund - resources and expenditures for governmental operations of a general nature, including Federal and State grant funds, except as otherwise noted.

Trust Fund - receipts, custodianship and disbursement of funds in accordance with the purposes for which each reserve was created. Pursuant to the provisions of N.J.S.A. 40A: 4-39, the financial transactions of the following funds and accounts are also reported within the Trust Fund:

- Animal Control Trust Fund
- Unemployment Compensation Insurance Fund
- Developer's Escrow Fund
- Community Development Block Grant Fund
- Open Space Trust Fund
- Other Trust Funds

General Capital Fund - resources, including Federal and State Grants in aid of construction, and expenditures for the acquisition of general capital facilities, other than those acquired through the Current Fund, including the status of bonds and notes authorized for said purposes.

## NOTES TO THE FINANCIAL STATEMENTS

### Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### B. Description of Funds (Cont'd.)

Water Utility Fund – This fund is used to account for the revenues and expenditures for the operation of the Township's Water Utility activities and the assets and liabilities relative to such activities.

Sewer Utility Fund – This fund is used to account for the revenues and expenditures for the operation of the Township's Sewer Utility activities and the assets and liabilities relative to such activities.

Governmental Fixed Assets - Governmental Fixed Assets system is used to account for fixed assets used in governmental fund type operations for control purposes. All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available or any other reasonable basis, provided such basis is adequately disclosed in the financial statements. Donated fixed assets are valued at their estimated fair value on the date of donation. No depreciation is recorded on governmental fixed assets.

The Governmental Accounting Standards Board (GASB) is the accepted standards-setting body for establishing governmental accounting and financial reporting principles. GASB's Codification of Governmental Accounting and Financial Reporting Standards recognizes three fund categories and two account groups as appropriate for the accounting and reporting of the financial position and results of operations in accordance with generally accepted accounting principles in the United States of America. This structure of funds and account groups differs from the organization of funds prescribed under the regulatory basis of accounting utilized by the Township. The resultant presentation of financial position and results of operations in the form of financial statements is not intended to present the basic financial statement presentation required by GAAP.

#### C. Basis of Accounting

Basis of Accounting and Measurement Focus – The basis of accounting prescribed by the Division of Local Government Services for its operating funds is generally a modified cash basis for revenue recognition and a modified accrual basis for expenditures. The operating funds utilize a "current financial resources" measurement focus. The accounting principles and practices prescribed for municipalities by the Division differ in certain respects from generally accepted accounting principles (GAAP) applicable to local government units. The most significant is the reporting of entity-wide financial statements, which are not presented in the accounting principles prescribed by the Division. The other significant differences are as follows:

Revenues - Revenues are recorded as received in cash except for statutory reimbursements and grant funds that are due from other governmental units. State and Federal grants, entitlements and shared revenues received for operating purposes are realized as revenues when anticipated in the Township budget. Receivables for property taxes and water and sewer utility consumer charges are recorded with offsetting reserves within the Current Fund and Water and Sewer Utility Funds, respectively. Other amounts that are due to the Township, which are susceptible to accrual are recorded as receivables with offsetting reserves. These reserves are liquidated and revenues are recorded as realized upon receipt of cash. GAAP requires the recognition of revenues for general operations in the accounting period in which they become available and measurable, with the exception of water and sewer utility consumer charges, which should be recognized in the period they are earned and become measurable.

## NOTES TO THE FINANCIAL STATEMENTS

### Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### C. Basis of Accounting (Cont'd.)

Expenditures - For purposes of financial reporting, expenditures are recorded as "paid or charged" or "appropriation reserves". Paid or charged refers to the Township "budgetary" basis of accounting. Generally, these expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the encumbrance accounting system. Reserves for unliquidated encumbrances at the close of the year are reported as a cash liability. Encumbrances do not constitute expenditures under GAAP.

Appropriation reserves refer to unexpended appropriation balances at the close of the year. Appropriation reserves are automatically created and recorded as a cash liability, except for amounts, which may be cancelled by the governing body. Appropriation reserves are available until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred and not recorded in the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Generally, unexpended balances of budget appropriations are not recorded as expenditures under GAAP.

For the purpose of calculating the results of Current Fund operations, the regulatory basis of accounting utilized by the Township requires that certain expenditures be deferred, and raised as items of appropriation in budgets of succeeding years. These deferred charges include the two general categories of overexpenditures and emergency appropriations. Overexpenditures occur when expenditures recorded as "paid or charged" exceed available appropriation balances. Emergency appropriations occur when, subsequent to the adoption of a balanced budget, the governing body authorizes the establishment of additional appropriations based on unforeseen circumstances or for other special purposes as defined by statute. Overexpenditures and emergency appropriations are deducted from total expenditures in the calculation of operating results and are established as assets for Deferred Charges on the Current Fund balance sheet. GAAP does not permit the deferral of overexpenditures to succeeding budgets. In addition, GAAP does not recognize expenditures based on the authorization of an appropriation. Instead, the authorization of special purpose expenditures, such as the preparation of tax maps or revaluation of assessable real property, would represent the designation of fund balance.

New Jersey statutes require municipalities to provide annual funding to Free Public Libraries through the Current Fund Budget. Amounts paid on behalf of the Free Public Library or transferred to the custody of the Library's management are recorded as budgetary expenditures of the Township, notwithstanding the fact that the Library is recognized as a separate entity for financial reporting purposes. Under GAAP, the Library would be recognized as a "component unit" of the Township, and discrete reporting of the Library's financial position and operating results would be incorporated in the Township's financial statements.

Compensated Absences - The Township has adopted policies, which set forth the terms under which an employee may accumulate earned, but unused, vacation and sick leave, establishes the limits on such accumulations and specifies the conditions under which the right to receive payment for such accumulations vests with the employee. The Township records expenditures for payments of earned and unused vacation and sick leave in the accounting period in which the payments are made. GAAP requires that expenditures be recorded in the governmental (Current) fund in an amount that would normally be liquidated with available financial resources, and that expenditures be recorded in the enterprise (Water Utility and Sewer Utility) fund on a full accrual basis.



## NOTES TO THE FINANCIAL STATEMENTS

### Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### C. Basis of Accounting (Cont'd.)

Property Acquired for Taxes - Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. GAAP requires such property to be recorded in the general fixed asset account group at the lower of cost or fair market value.

Self-Insurance Reserves - Charges to self-insurance reserves are recorded when payments of claims and related expenses are made. Increases to self-insurance reserves are recorded from budgetary appropriations in the accounting period in which budgetary expenditures are recorded. Earnings on investments and miscellaneous reimbursements are credited to reserves when received in cash. GAAP requires that liabilities for incurred claims be recorded as determined actuarially, and that operating transfers to self-insurance funds not exceed the amount determined.

Interfunds - Interfund receivables in the Current Fund are recorded with offsetting reserves, which are created by charges to operations. Income is recognized in the accounting period the receivables are liquidated. GAAP does not require the establishment of an offsetting reserve. Interfund receivables in the other funds are not offset by reserves.

Inventories of Supplies - The cost of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The cost of inventories is not included on the various balance sheets. Although the expenditure method of accounting for purchases of supplies is in accordance with GAAP, the cost of inventory on hand at the close of the year should be reported on the balance sheet with an offsetting reserve for conformity with GAAP.

Sale of Municipal Assets - Cash proceeds from the sale of Township owned property may be realized as revenue or reserved until utilized as an item of revenue in a subsequent year budget. Year end balances of reserved proceeds are reported as a cash liability in the Current Fund. GAAP requires that revenue be recognized in the accounting period that the terms of the sales contracts become legally enforceable.

Fixed Assets - Property and equipment purchased by the Current and the General Capital Funds are recorded as expenditures at the time of purchase and are not capitalized. Property and equipment purchased by the Water Utility Fund and the Sewer Utility Fund are recorded in their respective capital accounts at cost and are adjusted for dispositions and abandonments. Contributions in aid of construction are not capitalized. The balances in the Reserve for Amortization and Deferred Reserve for amortization accounts in the Utility Funds represent charges to operations for the costs of acquisitions of property, equipment and improvements, and costs funded from sources other than bonded debt of the utility. The utility does not record depreciation on fixed assets. GAAP does not require the establishment of a reserve for amortization for utility fixed assets, but does require the recognition of depreciation of these assets as an operating expense of the utility.

Governmental Fixed Assets - N.J.A.C. 5:30-5.6 established a mandate for fixed accounting by municipalities, effective December 31, 1985. The Township with a third-party inventory service performed a physical inventory and assessment of fixed assets in June of 2000. Assets acquired through June 2000 were valued based on actual costs, where available, and other methods, including current replacement values and estimated historical costs. The Township records assets acquired subsequent to June 2000 at original cost.

## NOTES TO THE FINANCIAL STATEMENTS

### Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

#### C. Basis of Accounting (Cont'd.)

Disclosures About Pension Liabilities – The Township has included information relating to its allocated shares of the net pension liabilities of the state sponsored, cost-sharing, multiple employer defined pension benefit plans in which it participates within these Notes to the Financial Statements and the accompanying required supplementary information. As the Township does not present entity-wide financial statements, it does not present include within its financial statements its proportionate share of the net pension liability of the defined benefit plans in which its employees are enrolled. GAAP requires the recognition of the net pension liability and the associated deferred inflows and outflows of financial resources in the entity-wide financial statements.

Disclosures About Fair Value of Financial Instruments - The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:

Cash and cash equivalents and short-term investments - The carrying amount approximates fair value because of the short maturity of those instruments.

Long-term debt - The Township's long-term debt is stated at face value. The debt is not traded and it is not practicable to determine its fair value without incurring excessive cost. Additional information pertinent to the Township's long-term debt is disclosed in Note 3 to the financial statements.

#### Recent Accounting Standards

GASB issued Statement No. 72, "Fair Value Measurement and Application" in February 2015. This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of *fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.

GASB issued Statement No. 73, "Accounting and Financial Reporting for Pensions and Related Assets That Are Not within The Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68" in June 2015. The objective of the Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency.

GASB issued Statement No. 74, "Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans" in June 2015. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency.

## NOTES TO THE FINANCIAL STATEMENTS

### Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

#### C. Basis of Accounting (Cont'd.)

GASB issued Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" in June 2015. The objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency.

GASB issued Statement No. 76, "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments" in June 2015. The objective of this Statement is to identify—in the context of the current governmental financial reporting environment—the hierarchy of generally accepted accounting principles (GAAP). The "GAAP hierarchy" consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP.

GASB issued Statement No. 77, "Tax Abatement Disclosures" in August 2015. Financial statements prepared by state and local governments in conformity with generally accepted accounting principles provide citizens and taxpayers, legislative and oversight bodies, municipal bond analysts, and others with information they need to evaluate the financial health of governments, make decisions, and assess accountability. This information is intended, among other things, to assist these users of financial statements in assessing (1) whether a government's current-year revenues were sufficient to pay for current-year services (known as interperiod equity), (2) whether a government complied with finance-related legal and contractual obligations, (3) where a government's financial resources come from and how it uses them, and (4) a government's financial position and economic condition and how they have changed over time.

GASB issued Statement No. 78, "Pensions Provided through Certain Multiple-Employer Defined Benefit Pensions Plans" in December 2015. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions.

GASB issued Statement No. 79, "Certain External Investment Pools and Pool Participants" in December 2015. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. An external investment pool qualifies for that reporting if it meets all of the applicable criteria established in this Statement. The specific criteria address (1) how the external investment pool transacts with participants; (2) requirements for portfolio maturity, quality, diversification, and liquidity; and (3) calculation and requirements of a shadow price. Significant noncompliance prevents the external investment pool from measuring all of its investments at amortized cost for financial reporting purposes. Professional judgment is required to determine if instances of noncompliance with the criteria established by this Statement during the reporting period, individually or in the aggregate, were significant.

## NOTES TO THE FINANCIAL STATEMENTS

### Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

#### C. Basis of Accounting (Cont'd.)

GASB issued Statement No. 80, “Blending Requirements for Certain Component Units—an amendment of GASB Statement No. 14” in January 2016. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, “The Financial Reporting Entity, as amended.”

GASB issued Statement No. 81, “Irrevocable Split-Interest Agreements” in March 2016. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement.

GASB issued Statement No. 82, “Pension Issues- an damendment of GASB Statements No. 67, No. 68 and No. 73” in March 2016. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

The Township does not prepare its financial statements in accordance with generally accepted accounting principles. The adoption of these new standards will not adversely effect the reporting on the Township’s financial condition.

Use of Estimates – The preparation of financial statements requires management of the Township to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Comparative Data - Comparative data for the prior year has been presented in order to provide an understanding of changes on the Township’s financial position and operations. However, comparative data has not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read. Certain reclassifications have been made to the fiscal year 2015 financial statements to conform to classifications used in fiscal year 2016.

NOTES TO FINANCIAL STATEMENTS

Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION

The Local Bond Law, Chapter 40A:2 et seq, governs the issuance of bonds to finance municipal capital expenditures. The Township's debt is summarized as follows:

A. Summary of Municipal Debt for Capital Projects

	<u>SFY 2016</u>	<u>SFY 2015</u>
<u>Issued:</u>		
General:		
Bonds and Notes	\$ 69,925,750.00	\$ 69,267,750.00
Water Utility:		
Bonds, Notes, and Loans	30,529,141.33	31,348,925.36
Sewer Utility:		
Bonds, Notes, and Loans	<u>13,779,862.65</u>	<u>13,952,158.57</u>
Total Issued	<u>114,234,753.98</u>	<u>114,568,833.93</u>
Net Issued	<u>114,234,753.98</u>	<u>114,568,833.93</u>
<u>Authorized But Not Issued:</u>		
General:		
Bonds and Notes	9,130,063.00	7,812,500.00
Water Utility:		
Bonds and Notes	2,360,502.00	1,860,502.00
Sewer Utility:		
Bonds and Notes	<u>6,473,312.00</u>	<u>6,473,312.00</u>
Total Authorized But Not Issued	<u>17,963,877.00</u>	<u>16,146,314.00</u>
Total Bonds and Notes Issued and Authorized but not Issued	<u>\$ 132,198,630.98</u>	<u>\$ 130,715,147.93</u>

## Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONT'D.)

A. Summary of Municipal Debt for Capital Projects (Cont'd.)

Summarized below are the Township's individual bond and loan issues which were outstanding at June 30, 2016 and 2015:

	<u>SFY 2016</u>	<u>SFY 2015</u>
<u>General Debt:</u>		
\$3,000,000, General Obligation Bonds of 2004 due in annual installments of \$150,000 to \$300,000 through August 2015, interest at 3.25% to 3.70%.	-	300,000.00
\$4,205,000, General Obligation Bonds of 2006 due in annual installments of \$170,000 to \$340,000 through November 2021, interest at 3.875% to 4.000%.	-	340,000.00
\$5,500,000, General Obligation Bonds of 2007 due in annual installments of \$235,000 to \$465,000 through August 2022, interest at 4.12% to 4.25%.	450,000.00	885,000.00
\$7,811,435 General Obligation Bonds of 2010 due in annual installments of \$78,000 to \$1,090,000 through August 2022, interest at 1.50% to 4.00%.	4,598,435.00	5,677,435.00
\$8,045,565 General Obligation Bonds of 2010 due in annual installments of \$17,000 to \$1,048,000 through August 2029, interest at 1.50% to 4.00%.	7,336,565.00	7,574,565.00
\$13,455,750 General Obligation Bonds of 2012 due in annual installments of \$530,000 to \$1,060,000 through August 2027, interest at 1.50% to 2.375%.	10,960,750.00	11,865,750.00
\$2,275,000 Refunding Bonds of 2012 due in annual installments of \$530,000 to \$1,060,000 through August 2017, interest at 2.00% to 4.00%.	1,125,000.00	1,695,000.00
\$15,000,000 General Improvement Bonds of 2015 due in annual installments of \$500,000 to \$1,000,000 through July 2035, interest at 2.75% to 3.50%.	15,000,000.00	-
\$2,960,000 Open Space Refunding Bonds of 2012 due in annual installments of \$195,000 to \$205,000 through August 2028, interest at 1.50% to 2.375%.	2,550,000.00	2,755,000.00
\$4,745,000 General Obligation Refunding Bonds of 2015 due in annual installments of \$40,000 to \$455,000 through August 2022, interest at 2.00% to 5.00%.	4,705,000.00	4,745,000.00
\$26,878,500, General Capital Bond Anticipation Notes issued on 8/6/13 due on 8/5/14, interest 1.25%	23,200,000.00	33,430,000.00
Total General Capital Debt	<u>\$ 69,925,750.00</u>	<u>\$ 69,267,750.00</u>

NOTES TO FINANCIAL STATEMENTS

Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONT'D.)

A. Summary of Municipal Debt for Capital Projects (Cont'd.)

<u>Utility Debt:</u>	<u>SFY 2016</u>	<u>SFY 2015</u>
\$2,020,000, Ordinance 96-21 due in annual installments of \$90,000 to \$150,000 through April 2019, interest at 4.80% to 4.90%.	410,000.00	535,000.00
\$2,000,000, Ordinance 03-31 due in annual installments of \$65,000 to \$130,000 through November 2026, interest at 3.875% to 4.000%.	-	95,000.00
\$2,000,000, Ordinance 5-16/6-16 due in annual installments of \$4,000 to \$260,000 through August 2030, interest at 1.50% to 4.00%.	1,824,000.00	1,883,000.00
\$10,252,500, Water Refunding Bonds of 2011A due in annual installments of \$55,000 to \$1,202,500 through April 2023, interest at 0.650% to 5.000%.	7,452,500.00	8,385,000.00
\$1,500,000, Ordinance 5-16/6-16 due in annual installments of \$60,000 to \$100,000 through August 2032, interest at 1.50% to 3.00%.	1,320,000.00	1,380,000.00
\$1,275,000, Water Refunding Bonds of 2015 due in annual installments of \$10,000 to \$120,000 through August 2018, interest at 2.00% to 5.00%.	1,265,000.00	1,275,000.00
\$1,993,670, Water Improvement Bonds of 2015 due in annual installments of \$70,000 to \$133,670 through July 2035, interest at 2.75% to 3.50%.	1,993,670.00	-
\$2,250,000 Water Assessment Bond due in annual installments of \$90,000 to \$105,000 through August 2031, interest at 4.00% to 5.00%.	1,885,000.00	1,980,000.00
\$2,000,000, Water Utility Capital Bond Anticipation Notes issued on 8/6/13 due on 8/5/14, interest 1.50%	-	2,493,670.00
\$1,500,000, Water Utility Capital Bond Anticipation Notes issued on 7/30/15 due on 7/29/16, interest 2.00%	2,000,000.00	-
\$9,700,000 State of NJ - Environmental Infrastructure Loan Nov. 8, 2007, interest at 5%	6,414,000.00	6,859,000.00
\$8,939,498 State of NJ - Environmental Infrastructure Loan Nov. 8, 2007, interest at 0%	5,964,971.33	6,463,255.36

## Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONT'D.)

A. Summary of Municipal Debt for Capital Projects (Cont'd.)

	<u>SFY 2016</u>	<u>SFY 2015</u>
<u>Utility Debt (cont'd.):</u>		
\$300,000, Ordinance 5-17 due in annual installments of \$4,000 to \$39,000 through August 2029, interest at 1.50% to 4.00%.	273,000.00	282,000.00
\$10,252,500, Sewer Refunding Bonds of 2011A due in annual installments of \$55,000 to \$1,202,500 through April 2023, interest at 0.650% to 5.000%.	7,452,500.00	8,385,000.00
\$480,000, Sewer Refunding Bonds of 2012 due in annual installments of \$95,000 to \$1,000,000 through August 2018, interest at 0.650% to 5.000%.	285,000.00	385,000.00
\$1,700,000, Ordinance 5-17/8-21 due in annual installments of \$70,000 to \$110,000 through August 2032, interest at 1.50% to 3.00%.	1,490,000.00	1,560,000.00
\$1,700,000, Sewer Utility Capital Bond Anticipation Notes issued on 8/4/14 due on 8/3/15, interest 1.00%	-	2,687,087.00
\$500,000, Sewer Utility Capital Bond Anticipation Notes issued on 7/30/15 due on 7/29/16, interest 2.00%	1,500,000.00	-
\$2,186,330, Sewer Improvement Bonds of 2015 due in annual installments of \$90,000 to \$146,330 through July 2035, interest at 2.75% to 3.50%	2,186,330.00	-
\$570,000 State of NJ - Environmental Infrastructure Loan Nov. 4, 2004, interest at 4% to 5%	330,000.00	360,000.00
\$581,688 State of NJ - Environmental Infrastructure Loan Nov. 4, 2004, interest at 0%	<u>263,032.65</u>	<u>293,071.57</u>
Total Utility Debt	<u>44,309,003.98</u>	<u>45,301,083.93</u>
Total Debt Issued and Outstanding	<u>\$ 114,234,753.98</u>	<u>\$ 114,568,833.93</u>



## Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONT'D.)

B. Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of:

<u>SFY 2016</u>	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 40,160,000.00	\$ 40,160,000.00	
Water Utility and Sewer Utility Debt *	53,142,817.98	53,142,817.98	
General Debt**	<u>79,055,813.00</u>	<u>19,972,010.00</u>	<u>59,083,803.00</u>
	<u>\$ 172,358,630.98</u>	<u>\$ 113,274,827.98</u>	<u>\$ 59,083,803.00</u>

Net Debt \$59,083,803 Divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended \$ 4,459,550,842.00 = 1.32%

\* Gross Debt includes Water/Wastewater System Lease Revenue Bonds issued by the MCIA (F).

\*\* Gross Debt includes Capital Lease Purchase Agreements issued by the MCIA and NJEDA Loan Payable (E).

<u>SFY 2015</u>	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 43,931,000.00	\$ 43,931,000.00	
Water Utility and Sewer Utility Debt *	53,634,897.93	53,634,897.93	
General Debt**	<u>77,080,250.00</u>	<u>20,566,652.00</u>	<u>56,513,598.00</u>
	<u>\$ 174,646,147.93</u>	<u>\$ 118,132,549.93</u>	<u>\$ 56,513,598.00</u>

Net Debt \$56,513,598 Divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended \$ 4,417,237,607.33 = 1.28%

\* Gross Debt includes Water/Wastewater System Lease Revenue Bonds issued by the MCIA (F).

\*\* Gross Debt includes Capital Lease Purchase Agreements issued by the MCIA and NJEDA Loan Payable (E).

The Township's Borrowing Power Under N.J.S.A. 40A:2-6 as Amended, at June 30, was as follows:

	<u>2016</u>	<u>2015</u>
3 1/2% of Equalized Valuation Basis Municipal Net Debt	<u>\$ 156,084,279.47</u> <u>59,083,803.00</u>	<u>\$ 154,603,316.26</u> <u>56,513,598.00</u>
Remaining Borrowing Power	<u>\$ 97,000,476.47</u>	<u>\$ 98,089,718.26</u>

SFY 2016 Equalized Valuation Basis

2014 Equalized Valuation Basis of Real Property	\$ 4,455,669,565.00
2015 Equalized Valuation Basis of Real Property	4,437,249,457.00
2016 Equalized Valuation Basis of Real Property	4,485,733,504.00
Average Equalized Valuation	<u>\$ 4,459,550,842.00</u>

## Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONT'D.)

B. Summary of Statutory Debt Condition - Annual Debt Statement (Cont'd.)SFY 2015 Equalized Valuation Basis

2012 Equalized Valuation Basis of Real Property	\$	4,358,793,800.00
2013 Equalized Valuation Basis of Real Property		4,455,669,565.00
2014 Equalized Valuation Basis of Real Property		4,437,249,457.00
Average Equalized Valuation	\$	<u>4,417,237,607.33</u>

## Calculation of "Self-Liquidating Purpose"

Water and Sewer Utility Per N.J.S.A. 40A:2-45

The calculation of "Self-Liquidating Purpose" for the Water Utility, per N.J.S.A. 40A:2-45 is as follows:

	<u>2016</u>	<u>2015</u>
Cash Receipts from Fees, Rents or Other Charges for Year	\$ 7,665,868.89	\$ 7,319,414.25
Deductions:		
Operating & Maintenance Cost	3,887,918.00	3,932,918.00
Debt Service Per Water Acct.	<u>3,169,195.00</u>	<u>3,171,267.60</u>
Total Deductions	<u>7,057,113.00</u>	<u>7,104,185.60</u>
Excess/(Deficit) in Revenue	\$ <u>608,755.89</u>	\$ <u>215,228.65</u>

The difference between the excess in revenues for debt statement purposes and the statutory cash basis for the Water Utility is as follows:

	<u>2016</u>	<u>2015</u>
Excess/(Deficit) in Revenues - Cash Basis (D-1)	\$ 537,001.80	\$ 135,889.99
Add: Revenue in Municipal Budget	100,000.00	100,000.00
Prior Years' Receivables Cancelled	<u>637,001.80</u>	<u>235,889.99</u>
Less: Unexpended Balance of Appropriation Reserves	20,661.34	20,661.34
Prior Years' Accounts Payables Cancelled	<u>3,092.85</u>	<u>3,092.85</u>
	<u>20,661.34</u>	<u>23,754.19</u>
Excess/(Deficit) in Revenue	\$ <u>616,340.46</u>	\$ <u>212,135.80</u>

The calculation of "Self-Liquidating Purpose" for the Sewer Utility, per N.J.S.A. 40A:2-45 is as follows:

	<u>2016</u>	<u>2015</u>
Cash Receipts from Fees, Rents or Other Charges for Year	\$ 7,069,155.14	\$ 6,735,526.19
Deductions:		
Operating & Maintenance Cost	4,502,477.07	4,274,846.00
Debt Service Per Sewer Acct.	<u>1,629,077.93</u>	<u>1,574,148.71</u>
Total Deductions	<u>6,131,555.00</u>	<u>5,848,994.71</u>
Excess/(Deficit) in Revenue	\$ <u>937,600.14</u>	\$ <u>886,531.48</u>

NOTES TO FINANCIAL STATEMENTS

Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONT'D.)

B. Summary of Statutory Debt Condition - Annual Debt Statement (Cont'd.)

The difference between the excess in revenues for debt statement purposes and the statutory cash basis for the Sewer Utility is as follows:

		<u>2016</u>	<u>2015</u>
Excess/(Deficit) in Revenues - Cash Basis (E-1)	\$	473,103.35	\$ 303,652.00
Add: Revenue in Municipal Budget		<u>775,000.00</u>	<u>650,000.00</u>
		1,248,103.35	953,652.00
Less: Unexpended Balance of Appropriation Reserves		310,503.00	46,058.95
Prior Years' Accounts Payables Cancelled		<u>                    </u>	<u>21,061.57</u>
		<u>310,503.00</u>	<u>67,120.52</u>
Excess/(Deficit) in Revenue	\$	<u><u>937,600.35</u></u>	<u><u>\$ 886,531.48</u></u>

C. North Brunswick Senior Housing Bonds

\$8,300,000 North Brunswick Taxable Guaranteed Revenue Bonds were issued by the Middlesex County Improvement Authority for the Senior Citizens housing Project. The Bonds were dated November 1, 1994 and come due on December 1, in years 1998 through 2027. Payment, when due, of the principal and interest on the Bonds is guaranteed by the Township of North Brunswick.

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	285,000.00	515,790.63	800,790.63
2018	310,000.00	488,643.75	798,643.75
2019	340,000.00	458,987.50	798,987.50
2020	370,000.00	426,593.75	796,593.75
2021	405,000.00	391,236.38	796,236.38
2022	440,000.00	372,678.26	812,678.26
2023	485,000.00	310,478.13	795,478.13
2024	525,000.00	264,396.88	789,396.88
2025	575,000.00	214,209.38	789,209.38
2026	625,000.00	159,459.38	784,459.38
2027	685,000.00	99,690.63	784,690.63
2028	<u>750,000.00</u>	<u>34,218.75</u>	<u>784,218.75</u>
	<u><u>\$5,795,000.00</u></u>	<u><u>\$3,736,383.42</u></u>	<u><u>\$9,531,383.42</u></u>

## Note 3: DEBT, DEBT SERVICE AND REGULATORY DEBT CONDITION (CONT'D.)

D. North Brunswick General Obligation Refunding Bonds, Series 2015

On June 2, 2015, the Township of North Brunswick issued \$6,020,000 General Obligation Refunding Bonds, Series 2015 consisting of \$4,745,000 General Improvement Refunding Bonds and \$1,275,000 Water Improvement Refunding Bonds to advance refund all the outstanding amount of originally issued \$6,205,000 General Obligation Bonds consisting of \$4,205,000 General Improvement Bonds and \$2,000,000 Water Improvement Bonds, each dated November 14, 2006 and maturing on or after November 1, 2016 at par plus unpaid accrued interest to November 1, 2015, the call date for the refunded bonds, and to pay the cost of issuance with respect to the Bonds. Interest on the Refunding Bonds ranged from 2.00 % to 5.00%, while Yields, which reflects premium or discounts ranged from 0.40% to 3.05%. The Net 2.139964%. The net proceeds of the sale of \$6,444,486.93, which includes premiums of \$453,845.55 and deducts \$29,358.62 of underwriting fees and other costs associated with the issuance of the Bonds.

The Township completed its refunding to reduce its total debt service payments through August 15, 2027 by \$308,905.38 and to obtain net economic gain (the difference between the present value of the old and new debt service payment of 304,273.68). The net economic benefit represents 5.043353% of the debt service on the refunded bonds.

The outstanding debt service with respect to the Township's 2015 General Obligation Refunding Bond, Series 2015 is as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	425,000.00	219,637.50	644,637.50
2018	885,000.00	195,562.50	1,080,562.50
2019	880,000.00	160,262.50	1,040,262.50
2020	900,000.00	120,162.50	1,020,162.50
2021	905,000.00	75,037.50	980,037.50
2022	910,000.00	40,687.50	950,687.50
2023	575,000.00	23,212.50	598,212.50
2024	125,000.00	16,056.25	141,056.25
2025	120,000.00	12,250.00	132,250.00
2026	125,000.00	6,725.00	131,725.00
2027	120,000.00	1,800.00	121,800.00
	<u>\$ 5,970,000.00</u>	<u>\$ 871,393.75</u>	<u>\$ 6,841,393.75</u>

# NOTES TO THE FINANCIAL STATEMENTS

## Note 3 DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONT'D.)

### E. Schedule of Annual Debt Service for Principal and Interest for Township Bonded Debt Issued and Outstanding and NJEIT Loans

SFY Year	General		Open Space	
	Principal	Interest	Principal	Interest
2017	\$ 3,673,000.00	\$ 1,062,483.65	\$ 329,000.00	\$ 370,724.48
2018	3,182,000.00	962,426.15	333,000.00	360,197.60
2019	3,575,000.00	862,886.15	338,000.00	348,132.60
2020	3,619,000.00	764,644.90	345,000.00	335,162.60
2021	<u>3,207,000.00</u>	<u>666,632.40</u>	<u>351,000.00</u>	<u>321,242.60</u>
Subtotal	<u>17,256,000.00</u>	<u>4,319,073.25</u>	<u>1,696,000.00</u>	<u>1,735,459.88</u>
2022	3,095,000.00	573,744.90	356,000.00	307,102.60
2023	3,033,000.00	485,788.70	363,565.00	292,711.30
2024	2,444,000.00	425,518.75	974,000.00	266,960.00
2025	2,604,000.00	387,793.75	1,004,000.00	229,375.00
2026	<u>2,547,000.00</u>	<u>349,418.75</u>	<u>1,047,000.00</u>	<u>190,792.50</u>
Subtotal	<u>13,723,000.00</u>	<u>2,222,264.85</u>	<u>3,744,565.00</u>	<u>1,286,941.40</u>
2027	2,618,000.00	310,937.50	1,088,000.00	150,505.00
2028	2,525,750.00	272,509.38	1,130,000.00	108,251.25
2029	2,180,000.00	238,812.50	1,180,000.00	64,363.75
2030	2,048,000.00	208,812.50	1,048,000.00	20,960.00
2031	<u>1,000,000.00</u>	<u>178,187.50</u>		
Subtotal	<u>10,371,750.00</u>	<u>1,209,259.38</u>	<u>4,446,000.00</u>	<u>344,080.00</u>
2032	1,000,000.00	146,937.50		
2033	925,000.00	116,281.25		
2034	1,000,000.00	85,000.00		
2035	1,000,000.00	51,875.00		
2036	<u>1,000,000.00</u>	<u>17,500.00</u>		
Subtotal	<u>4,925,000.00</u>	<u>417,593.75</u>	<u>-</u>	<u>-</u>
Totals	<u>\$ 46,275,750.00</u>	<u>\$ 8,431,409.98</u>	<u>\$ 9,886,565.00</u>	<u>\$ 3,366,481.28</u>

NOTES TO THE FINANCIAL STATEMENTS

Note 3 DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONT'D.)

E. Schedule of Annual Debt Service for Principal and Interest for  
Township Bonded Debt Issued and Outstanding and NJEIT Loans (Cont'd)

SFY Year	Water Utility		NJEIT Loans	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2017	\$ 1,347,000.00	\$ 503,329.70	\$ 965,544.17	\$ 309,075.00
2018	1,400,500.00	458,129.70	917,255.93	286,950.00
2019	1,450,000.00	415,057.20	938,176.84	265,425.00
2020	1,353,500.00	361,662.20	961,015.13	242,825.00
2021	<u>1,397,000.00</u>	<u>307,902.20</u>	<u>980,749.79</u>	<u>219,150.00</u>
Subtotal	<u>6,948,000.00</u>	<u>2,046,081.00</u>	<u>4,762,741.86</u>	<u>1,323,425.00</u>
2022	1,459,000.00	247,707.20	1,007,227.84	194,275.00
2023	1,523,500.00	180,694.70	1,038,143.57	168,175.00
2024	482,000.00	139,169.08	1,053,871.14	140,875.00
2025	491,000.00	123,134.08	1,082,709.43	112,175.00
2026	<u>506,000.00</u>	<u>104,878.45</u>	<u>1,113,187.47</u>	<u>81,975.00</u>
Subtotal	<u>4,461,500.00</u>	<u>795,583.51</u>	<u>5,295,139.45</u>	<u>697,475.00</u>
2027	524,000.00	86,534.70	1,144,811.42	50,300.00
2028	415,000.00	70,604.70	1,176,278.60	17,050.00
2029	438,000.00	55,807.20		
2030	460,000.00	40,178.45		
2031	<u>200,000.00</u>	<u>29,190.25</u>		
Subtotal	<u>2,037,000.00</u>	<u>282,315.30</u>	<u>2,321,090.02</u>	<u>67,350.00</u>
2032	210,000.00	23,131.58		
2033	220,000.00	16,578.46		
2034	125,000.00	11,097.21		
2035	130,000.00	6,872.21		
2036	<u>133,670.00</u>	<u>2,339.23</u>		
Subtotal	<u>818,670.00</u>	<u>60,018.69</u>	<u>-</u>	<u>-</u>
Totals	<u>\$ 14,265,170.00</u>	<u>\$ 3,183,998.50</u>	<u>\$ 12,378,971.33</u>	<u>\$ 2,088,250.00</u>

NOTES TO THE FINANCIAL STATEMENTS

Note 3 DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONT'D.)

E. Schedule of Annual Debt Service for Principal and Interest for  
Township Bonded Debt Issued and Outstanding and NJEIT Loans (Cont'd)

SFY Year	Sewer Utility		NJEIT Loans		Total
	Principal	Interest	Principal	Interest	
2017	\$ 1,215,000.00	\$ 396,988.43	\$ 59,259.00	\$ 15,018.76	\$ 10,246,423.19
2018	1,252,500.00	360,466.55	58,381.60	13,668.76	\$ 9,585,476.29
2019	1,270,000.00	322,641.55	65,575.11	12,043.76	\$ 9,862,938.21
2020	1,217,500.00	280,522.80	64,437.73	10,293.76	\$ 9,555,564.12
2021	1,271,000.00	233,399.55	63,300.36	8,543.76	\$ 9,026,920.66
Subtotal	6,226,000.00	1,594,018.88	310,953.80	59,568.80	48,277,322.47
2022	1,326,000.00	178,369.05	70,331.38	6,668.76	\$ 8,821,426.73
2023	1,383,500.00	114,991.55	69,031.53	4,668.76	\$ 8,657,770.11
2024	214,000.00	79,600.93	67,829.35	2,818.76	\$ 6,290,643.01
2025	215,000.00	73,614.68	74,886.59	984.38	\$ 6,398,672.91
2026	222,000.00	67,440.30			\$ 6,229,692.47
Subtotal	3,360,500.00	514,016.51	282,078.85	15,140.66	36,398,205.23
2027	233,000.00	60,890.30			\$ 6,266,978.92
2028	240,000.00	53,974.05			\$ 6,009,417.98
2029	247,000.00	43,259.05			\$ 4,447,242.50
2030	259,000.00	39,239.05			\$ 4,124,190.00
2031	230,000.00	31,949.68			\$ 1,669,327.43
Subtotal	1,209,000.00	229,312.13	-	-	22,517,156.83
2032	230,000.00	25,155.93			\$ 1,635,225.01
2033	240,000.00	17,996.55			\$ 1,535,856.26
2034	135,000.00	12,010.30			\$ 1,368,107.51
2035	140,000.00	7,484.05			\$ 1,336,231.26
2036	146,330.00	2,560.78			\$ 1,302,400.01
Subtotal	891,330.00	65,207.61	-	-	7,177,820.05
Totals	<u>\$ 11,686,830.00</u>	<u>\$ 2,402,555.13</u>	<u>\$ 593,032.65</u>	<u>\$ 74,709.46</u>	<u>\$ 114,370,504.58</u>

# NOTES TO THE FINANCIAL STATEMENTS

## Note 4: FUND BALANCES APPROPRIATED

Fund balances at June 30, 2016 and 2015, which were appropriated and included as anticipated revenue in their own respective funds for the "Fiscal Year" ending June 30, 2016 and 2015 as follows:

	<u>FUND BALANCE</u> <u>JUNE 30, 2016</u>	<u>UTILIZED IN</u> <u>SUCCEEDING BUDGET</u>
Current Fund	\$ 6,074,124.43	\$3,000,000.00
Sewer Utility Fund	2,507,840.76	1,050,000.00
Water Utility Fund	1,873,149.69	400,000.00

	<u>FUND BALANCE</u> <u>JUNE 30, 2015</u>	<u>UTILIZED IN</u> <u>SUCCEEDING BUDGET</u>
Current Fund	\$5,539,848.38	\$2,850,000.00
Sewer Utility Fund	2,509,737.41	475,000.00
Water Utility Fund	1,636,147.89	300,000.00

## Note 5: FIXED ASSETS

Following is a summary of changes in the Governmental Fixed Assets for the years 2016 and 2015.

	<u>Balance</u> <u>June 30,</u> <u>2015</u>	<u>Additions</u>	<u>Adjustment/</u> <u>Retirements</u>	<u>Balance</u> <u>June 30,</u> <u>2016</u>
<u>2016</u>				
Land and Land Improvements	\$55,992,300.00	\$ 259,000.00		\$56,251,300.00
Buildings and Building Improvement	18,030,500.00			18,030,500.00
Equipment And Improvements	4,304,269.46	69,351.00	(20,860.00)	4,352,760.46
Vehicles	5,094,087.99	432,902.00	(114,114.67)	5,412,875.32
	<u>\$83,421,157.45</u>	<u>\$761,253.00</u>	<u>(\$134,974.67)</u>	<u>\$84,047,435.78</u>

	<u>Balance</u> <u>June 30,</u> <u>2014</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30,</u> <u>2015</u>
<u>2015</u>				
Land and Land Improvements	\$55,594,300.00	\$ 38,000.00		\$55,992,300.00
Buildings and Building Improvement	18,030,500.00			18,030,500.00
Equipment And Improvements	3,787,176.89	517,092.57		4,304,269.46
Vehicles	4,027,389.59	1,090,964.40	(24,266.00)	5,094,087.99
	<u>\$81,799,366.48</u>	<u>\$1,646,056.97</u>	<u>(\$24,266.00)</u>	<u>\$83,421,157.45</u>



## NOTES TO THE FINANCIAL STATEMENTS

### Note 6: DEPOSITS AND INVESTMENTS

#### Deposits

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey, which are insured by the Federal Deposit Insurance Corporation (FDIC) or by any other agencies of the United States that insures deposits or the State of New Jersey Cash Management Fund. New Jersey statutes require public depositories to maintain collateral for deposit of public funds that exceed insurance limits as follows:

The market value of the collateral must equal 5 percent of the average daily balance of public funds; or if the public funds deposited exceed 75 percent of the capital funds of the depository, the depository must provide collateral having a market value equal to 100 percent of the amount exceeding 75 percent.

All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

The State of New Jersey Cash Management Fund is authorized by statutes and regulations of the State Investment Council to invest in fixed income and debt securities, which mature within one year. Collateralization of Fund investments is generally not required. "Other Than State" participants contribute one and one-half percent per year of the value of the aggregate units owned by them to establish a Reserve Fund, which is supplemented by the proportional interest of "Other Than State" participants in gains on investment transactions realized. The Reserve Fund is available to cover losses of "Other Than State" participants occasioned by the bankruptcy of an issuer of an investment held by the Fund and losses on sales of securities.

At June 30, 2015 and 2014 the cash and cash equivalents and investments of the Township consisted of the following:

	<u>2016</u>	<u>2015</u>
Cash (Demand Accts.)	\$22,264,284.26	\$28,534,284.51
Change Funds (On-Hand)	1,125.00	1,125.00
Total	<u>\$22,265,409.26</u>	<u>\$28,535,409.51</u>

Based upon GASB criteria, the Township considers change fund, cash in banks, investments in certificates of deposit and State of New Jersey Cash Management Fund as cash and cash equivalents. At year-end, the book value of the Township's deposits was \$22,498,621.20 and the bank balance was \$22,264,284.26. Of the bank balance, \$750,000.00 was covered by Federal depository insurance and \$21,514,284.26 was covered under the provisions of NJGUDPA.

## NOTES TO THE FINANCIAL STATEMENTS

### Note 6: DEPOSITS AND INVESTMENTS (CONT'D).

At June 30, 2009, the Township has implemented the disclosure requirements of Governmental Accounting Standards Board Statement No. 40 "Deposits and Investment Risk Disclosures" (GASB 40) and accordingly the Township has assessed the Custodial Risk, the Concentration of Credit Risk and Interest Rate Risk of its cash and investments.

- (a) Custodial Credit Risk – The Township's deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are: uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the depositor-governments name. The deposit risk is that, in the event of the failure of a depository financial institution, the Township will not be able to recover deposits or will not be able to recover collateral securities that are in possession of an outside party. The Township's investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the Township and are held by either: the counterparty or the counterparty's trust department or agent but not in the Township's name. The investment risk is that, in the event of the failure of the counterparty to a transaction, the Township will not be able to recover the value of the investment or collateral securities that in possession of an outside party.
- (b) Concentration of Credit Risk – This is the risk associated with the amount of investments that Township has with any one issuer that exceeds 5 percent or more of its total investments. Investment issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this requirement.
- (c) Credit Risk – GASB 40 requires that disclosure be made as to the credit rating of all debt security investments except for obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government. This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. In general, the Township does not have an investment policy regarding Credit Risk except to the extent outlined under the Township's investment policy. The New Jersey Cash Management Fund is not rated.
- (d) Interest Rate Risk - This is the risk that changes in interest rates will adversely affect the fair value of an investment. The Township does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from interest rate fluctuations.

As of June 30, 2016, based upon the insured balances provided by the FDIC and NJGUDPA coverage, no amounts of the Township's bank balance were considered exposed to custodial credit risk.

<u>Depository Account</u>	<u>Bank Balance</u>
Insured--FDIC	\$ 750,000.00
Insured—NJGUDPA (N.J.S.A. 17:941)	<u>21,514,284.26</u>
Total	<u>\$ 22,264,284.26</u>

## NOTES TO THE FINANCIAL STATEMENTS

### Note 6: DEPOSITS AND INVESTMENTS (CONT'D).

#### Investments

New Jersey statutes establish the following securities as eligible for the investment of Township funds:

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States;
2. Government money market mutual funds;
3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided such obligation bear a fixed rate of interest not dependent on any index or other external factor;
4. Bonds or other obligations of the Township or bonds or other obligations of school districts of which the Township is a part and within which the school district is located;
5. Bonds or other obligations having a maturity date of not more than 397 days from the date of purchase that are approved by the Division of Investment of the Department of Treasury for investment by local units;
6. Local government investment pools;
7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1997, c. 281 (C.52: 18A-90.4); or
8. Agreements for the repurchase of fully collateralized securities, if:
  - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3);
  - b. the custody of collateral is transferred to a third party;
  - c. the maturity of the agreement is more than 30 days; and
  - d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.19:9-41) and for which a master repurchase agreement providing for the custody and security of the collateral is executed.

New Jersey Cash Management Fund – All investments in the Fund are governed by the regulations of the Investment Council, which prescribe specific standards designed to insure the quality of investments and to minimize the risks related to investments. In all the years of the Division of Investment's existence, the Division has never suffered a default of principal or interest on any short-term security held by it due to the bankruptcy of a securities issuer; nevertheless, the possibility always exists, and for this reason a reserve is being accumulated as additional protection for the "Other Than State" participants. In addition to the Council regulations, the Division sets further standards for specific investments and monitors the credit of all eligible securities issuers on a regular basis. As of June 30, 2016, the Township had no funds on deposit with the New Jersey Cash Management Fund.

Generally, the Township's investments consist of money market and savings accounts. Based upon the existing deposit and investment practices, the Township is generally not exposed to credit risks, custodial credit risks, concentration of credit risks and interest rate risks for its investments nor is it exposed to foreign currency risks for its deposits and investments.

## NOTES TO THE FINANCIAL STATEMENTS

### Note 7: ASSESSMENT AND COLLECTION OF PROPERTY TAXES

A taxable valuation of real property is prepared by the Tax Assessor as of October 1 in each year and filed with the County Board of Taxation by January 10 of the following year. The County Board of Taxation establishes tax rates to reflect the levy necessary for municipal, local school district, special district and county taxes.

The provisions of P.L. 1994, C. 72 changed the procedures for State fiscal year billing originally established in P.L. 1991, C. 75. Chapter 72 moves the billing calculation back on a calendar year basis, which permits tax levies to be proved more readily than before.

The formulae used to calculate tax bills under P.L. 1994, C. 72 are as follows:

The third and fourth installments, for municipal purposes, would equal one-half of an estimated annual tax levy, plus the balance of the full tax levied during the current tax year for school, county and special district purposes. The balance of the full tax for non-municipal purposes is calculated by subtracting amounts due on a preliminary basis from the full tax requirement for the tax year. The first and second installments, for municipal purposes, will be calculated on a percentage of the previous years billing necessary to bill the amount required to collect the full tax levy, plus the non-municipal portion, which represents the amount payable to each taxing district for the period of January 1 through June 30.

Taxes become delinquent if not paid on the installment dates and become subject to interest penalties of 8% to 18% of the amount delinquent. In addition, the law now allows for, and the Township has authorized, the imposition of a penalty of 6% on delinquencies exceeding \$10,000.00 that remains unpaid at the end of a calendar year. If taxes remain delinquent on or after April 1 of the succeeding fiscal year, the delinquent amount is subject to "Tax Sale" which places a tax lien on the property, and allows the holder to enforce the tax lien by collection foreclosure. New Jersey property tax laws establish property taxes as a lien on real estate as of the first day of the fiscal year of the municipality even though the full amount due is not known.

As County, School and Special District tax requirements are certified to the County Board of Taxation on a calendar year basis and within a time frame which precludes the certification of a municipal purpose tax certification for the calendar year, the conversion to a fiscal year has necessitated that tax bills be prepared and mailed by the Tax Collector twice annually. The law requires tax bills for the first and second installments to be delivered on or before October 1 of the pre-tax year, and bills for the third and fourth installments to be delivered on or before June 14.

The statutory requirement to deliver tax bills for the first and second installments by October 1 of the pre-tax year requires that these bills utilize assessed valuations from the pre-tax year. As a result, tax bills for the third and fourth installments will also include adjustments to reflect the results of changes in assessed valuations from the pre-tax year to the current tax year.

In accordance with the accounting principles presented by the State of New Jersey, taxes receivable and tax title liens are realized when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the taxes receivable and tax title liens that are uncollectible.

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 8. PENSION PLANS

Description of Plans - The State of New Jersey, Division of Pension and Benefits (the Division) was created and exists pursuant to N.J.S.A. 52:18A to oversee and administer the pension trust and other postemployment benefit plans sponsored by the State of New Jersey (the State). According to the State of New Jersey Administrative Code, all obligations of the Systems will be assumed by the State of New Jersey should the plans terminate. Each defined benefit pension plan's designated purpose is to provide retirement, death and disability benefits to its members. The authority to amend the provision of plan rests with new legislation passed by the State of New Jersey. Pension reforms enacted pursuant to Chapter 78, P.L. 2011 included provisions creating special Pension Plan Design Committees for the Public Employees Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS), once a Target Funded Ratio (TFR) is met, that will have the discretionary authority to modify certain plan design features, including member contribution rate; formula for calculation of final compensation or final salary; fraction used to calculate a retirement allowance; age at which a member may be eligible and the benefits for service or early retirement; and benefits provided for disability retirement. The committee will also have the authority to reactivate the cost of living adjustment (COLA) on pensions. However, modifications can only be made to the extent that the resulting impact does not cause the funded ratio to drop below the TFR in any one year of a projection period. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for each of the plans. This report may be accessed via the Division of Pensions and Benefits website, at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions), or may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

A. Public Employees' Retirement System (PERS) - The Public Employee Retirement System is a cost-sharing, multiple employer defined benefit pension plan as defined in GASB Statement No. 68. The Plan is administered by The New Jersey Division of Pensions and Benefits (Division). The more significant aspects of the PERS Plan are as follows:

*Plan Membership and Contributing Employers*- Substantially all full-time employees of the State of New Jersey or any county, municipality, school district or public agency are enrolled in PERS, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or other jurisdiction's pension fund. Membership and contributing employers of the defined benefit pension plans consisted of the following at June 30, 2015:

Inactive plan members or beneficiaries currently receiving benefits	166,637
Inactive plan members entitled to but not yet receiving benefits	703
Active plan members	<u>259,161</u>
Total	<u>426,501</u>

Contributing Employers – 1,710.

*Significant Legislation* – For State of New Jersey contributions to PERS, Chapter 1, P.L. 2010, effective May 21, 2010, required the State to resume making actuarially recommended contributions to the pension plan on a phased-in basis over a seven year period beginning in the fiscal year ended June 30, 2012. For State fiscal year 2014, the State was required to make a minimum contribution representing 3/7<sup>th</sup> of the actuarially determined contribution amount based on the July 1, 2012 actuarial valuation.

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 8. PENSION PLANS (CONT'D.)

Chapter 19, P.L. 2009, effective March 17, 2009, provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State Fiscal Year 2009. Such an employer will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of PERS, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. Pursuant to the provision of Chapter 78, P.L. 2011, COLA increases were suspended for all current and future retirees of PERS.

For the year ended June 30, 2016 the Township's total payroll for all employees was \$20,775,383.78. Total PERS covered payroll was \$7,179,038. Covered payroll refers to all compensation paid by the Township to active employees covered by the Plan.

*Specific Contribution Requirements and benefit provisions* – The contribution policy is set by N.J.S.A 43:15 and requires contributions by active members and contributing employers. Members contribute at a uniform rate. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 6.78% in State fiscal year 2014. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. Employers contribution amounts are based on an actuarially determined rate. The annual employer contributions include funding for basic retirement allowances and noncontributory death benefits. The Township's cash basis contributions to the Plan for the years ended June 30, 2015 and 2016 were \$853,152 and \$891,885, respectively. Township Contributions are due and payable on April 1<sup>st</sup> in the second fiscal period subsequent to plan year for which the contribution requirements were calculated. Township payments to PERS for the years ending June 30, 2014 and 2015 consisted of the following:

	<u>2015</u>	<u>2016</u>
Normal Cost	\$ 142,013	\$ 150,992
Amortization of Accrued Liability	<u>657,003</u>	<u>695,567</u>
Total Pension	799,034	846,559
NCGI Premiums	<u>54,118</u>	<u>45,326</u>
Total PERS Payment	\$ <u>853,125</u>	\$ <u>891,885</u>

The vesting and benefit provisions are set by N.J.S.A. 43:15. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007.
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 8, 2008
3	Members who were eligible on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 8. PENSION PLANS (CONT'D.)

#### A. Public Employees' Retirement System (PERS) (Cont'd.)

A service retirement benefit of 1/55<sup>th</sup> of final average salary for each year of service credit is available to tier 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, to tier 3 and 4 members before age 62 and tier 5 members with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age of his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

*Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions* – The regulatory basis of accounting which is basis for the preparation of the Township's basic financial statements does not require or permit the inclusion of entity-wide, full accrual basis financial statements. Accordingly, the Township does not recognize pension liabilities for any current or prior period until the fiscal period in which such payments will become due and payable.

At June 30, 2015, the PERS reported a liability of \$22,447,996,119 for its Non-State Employer Member Group. The Township's proportionate share of the net pension liability for the Non-State Employer Group that is attributable to the Township was \$23,287,531 or 0.103740%. At June 30, 2014, the PERS reported a liability of \$18,722,735,003 for its Non-State Employer Member Group. The Township's proportionate share of the net pension liability for the Non-State Employer Group that is attributable to the Township was \$19,376,053 or 0.103489%.

*Actuarial Assumptions*- The total pension liability in the June 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.04%
Salary Increases (2012-2021)	2.15-4.40% Based on age
Thereafter	3.15-5.40% Based on age
Investment rate of return	7.90%

Mortality rates were based on the RP-2000 Combined Table for Males or Females, as appropriate with adjustments for mortality improvements based on Scale AA.

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 8. PENSION PLANS (CONT'D.)

#### A. Public Employees' Retirement System (PERS) (Cont'd.)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad US Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.12%

*Discount Rate* – The discount rate used to measure the pension liabilities of PERS was 4.90% as of June 30, 2015. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% as of June 30, 2015, based on the Bond Buyer GO 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made based on the average of the last five years of contributions made in relation to the last five years of actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.



## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 8. PENSION PLANS (CONT'D.)

#### A. Public Employees' Retirement System (PERS) (Cont'd.)

*Sensitivity of Net Pension Liability* – the following presents the net pension liability of PERS participating employers as of June 30, 2015, calculated using the discount rates as disclosed above as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage rate higher than the current rate:

	<u>At 1% Decrease</u> <u>(3.90%)</u>	<u>At current discount rate</u> <u>(4.90%)</u>	<u>At 1% increase</u> <u>(5.90%)</u>
State	\$27,802,122,942	\$23,722,135,537	\$20,314,768,782
Local	<u>27,900,112,533</u>	<u>22,447,996,119</u>	<u>17,876,981,108</u>
PERS Plan Total	<u>\$55,702,235,457</u>	<u>\$46,170,131,656</u>	<u>\$38,191,749,890</u>

*Plan Fiduciary Net Position* – The plan fiduciary net position for PERS, including the State of New Jersey, at June 30, 2014 was \$28,999,581,773. Information regarding the portion of the Plan Fiduciary Net Position that was allocable to the Local (Non-State) Group was not available.

**B. Police and Firemen's Retirement System (PFRS)** - The Police and Firemen's Retirement System is a cost-sharing, multiple employer defined benefit pension plan as defined in GASB Statement No. 68. The Plan is administered by The New Jersey Division of Pensions and Benefits (Division). The more significant aspects of the PFRS Plan are as follows:

*Plan Membership and Contributing Employers*- Substantially all full-time county and municipal police or firemen and state firemen or officer employees with police powers appointed after June 30, 1944 are enrolled in PFRS. Membership and contributing employers of the defined benefit pension plans consisted of the following at June 30, 2015:

Inactive plan members or beneficiaries currently receiving benefits	44,252
Inactive plan members entitled to but not yet receiving benefits	51
Active plan members	<u>40,359</u>
Total	<u>84,662</u>

Contributing Employers – 585.

*Significant Legislation* – For State of New Jersey contributions to PFRS, Chapter 1, P.L. 2010, effective May 21, 2010, required the State to resume making actuarially recommended contributions to the pension plan on a phased-in basis over a seven year period beginning in the fiscal year ended June 30, 2012. For State fiscal year 2014, the State was required to make a minimum contribution representing 3/7<sup>th</sup> of the actuarially determined contribution amount based on the July 1, 2012 actuarial valuation.

Chapter 19, P.L. 2009, effective March 17, 2009, provided an option for local employers of PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State Fiscal Year 2009. Such an employer will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of PFRS, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 8. PENSION PLANS (CONT'D.)

#### B. Police and Firemen's Retirement System (PFRS) (Cont'd.)

liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial

value of assets. Pursuant to the provision of Chapter 78, P.L. 2011, COLA increases were suspended for all current and future retirees of PFRS.

For the year ended June 30, 2016 the Township's total payroll for all employees was \$20,775,383.78. Total PFRS covered payroll was \$9,129,749. Covered payroll refers to all compensation paid by the Township to active employees covered by the Plan.

*Specific Contribution Requirements and benefit provisions* – The contribution policy is set by N.J.S.A 43:16A and requires contributions by active members and contributing employers. Employers' contribution amounts are based on an actuarially determined rate. The annual employer contributions include funding for basic retirement allowances and noncontributory death benefits. The Township's cash basis contributions to the Plan for the years ended June 30, 2015 and 2016 were \$2,101,663 and \$2,350,727, respectively. Township Contributions are due and payable on April 1<sup>st</sup> in the second fiscal period subsequent to plan year for which the contribution requirements were calculated. Township payments to PFRS for the years ending June 30, 2015 and 2016 consisted of the following:

	<u>2015</u>	<u>2016</u>
Normal Cost	\$ 720,920	\$ 788,104
Amortization of Accrued Liability	<u>1,286,470</u>	<u>1,457,831</u>
Total Pension	2,007,390	2,245,935
NCGI Premiums	<u>94,273</u>	<u>104,792</u>
Total PFRS Payment	<u>\$2,101,663</u>	<u>\$2,350,727</u>

The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement as well as death and disability benefits. All benefits vest after ten years of service, except disability benefits which vest after four years of service.

The following represents the membership tiers for PFRS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to May 22, 2010
2	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
3	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (tiers 1 and 2 members) and 60% (tier 3 members) of final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years. Members may elect

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 8. PENSION PLANS (CONT'D.)

#### B. Police and Firemen's Retirement System (PFRS) (Cont'd.)

deferred retirement benefits after achieving ten years of service, in which case benefits would begin at age 55 equal to 2% of final compensation for each year of service.

*Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions* – The regulatory basis of accounting which is basis for the preparation of the Township's basic financial statements does not require or permit the inclusion of entity-wide, full accrual basis financial statements. Accordingly, the Township does not recognize pension liabilities for any current or prior period until fiscal period in which such payments will become due and payable.

At June 30, 2015, the PFRS reported a net pension liability of \$16,656,514,197 for its Non-State. Non-Special Funding Situation Employer Member Group. The Township's proportionate share of the net pension liability for the Non-State Non-Special Funding Situation Employer Member Group was \$48,169,868 or 0.28920%. At June 30, 2014, the PFRS reported a net pension liability of \$12,579,072,492 for its Non-State. Non-Special Funding Situation Employer Member Group. The Township's proportionate share of the net pension liability for the Non-State Non-Special Funding Situation Employer Member Group was \$34,420,044 or 0.27633%.

*Actuarial Assumptions*- The total pension liability in the June 30, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.04%
Salary Increases (2012-2021)	2.60-9.48% Based on age
Thereafter	3.60-10.48% Based on age
Investment rate of return	7.90%

Mortality rates were based on the RP-2000 Combined Table for Males or Females, as appropriate with adjustments for mortality improvements based on Scale AA.

# NOTES TO THE FINANCIAL STATEMENTS

## NOTE 8. PENSION PLANS (CONT'D.)

### B. Police and Firemen's Retirement System (PFRS) (Cont'd.)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long -Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad US Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.04%
REIT	4.25%	5.12%

*Discount Rate* – The discount rate used to measure the pension liabilities of PFRS was 5.79% as of June 30, 2015. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% as of June 30, 2015, based on Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

*Sensitivity of Net Pension Liability* – the following presents the net pension liability of PFRS calculated using the discount rates as disclosed above as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage rate higher than the current rate:

	<u>At 1% Decrease</u> <u>(4.79%)</u>	<u>At current discount rate</u> <u>(5.79%)</u>	<u>At 1% increase</u> <u>(6.79%)</u>
State	\$ 5,169,538,395	\$ 4,293,672,366	\$ 3,581,810,627
Local	23,884,266,996	18,117,234,618	13,414,734,988
Total	<u>\$ 29,053,805,391</u>	<u>\$ 22,410,906,984</u>	<u>\$ 16,996,545,615</u>

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 8. PENSION PLANS (CONT'D.)

#### B. Police and Firemen's Retirement System (PFRS) (Cont'd.)

*Plan Fiduciary Net Position* – The plan fiduciary net position for PFRS, including the State of New Jersey, at June 30, 2015 was \$25,106,858,921.

#### C. Defined Contribution Retirement System (DCRP)

The Defined Contribution Retirement Plan (DCRP) is a multiple employer defined contribution plan as defined in GASB Statement No. 68. The Plan is administered by The New Jersey Division of Pensions and Benefits (Division). The more significant aspects of the DCRP are as follows:

*Plan Membership and Contributing Employers*- Enrollment in the DCRP is required for state or local officials, elected or appointed on or after July 1, 2007; employees enrolled in TPAF or PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in TPAF or PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000 annually; and employees otherwise eligible to enroll in TPAF or PERS after May 21, 2010, who do not work the minimum number of hours per week required for tier 4 or tier 5 enrollment, but who earn salary of at least \$5,000 annually. At June 30, 2015, the membership in the DCRP, based on the information within the Division's database, was 36,808.

*Contribution Requirement and Benefit Provisions* - State and local government employers contribute 3% of the employees base salary. Active members contribute 5.5% of base salary.

Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable Federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and non forfeitable. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and non forfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

For the year ended June 30, 2015 the Township's total payroll for all employees was \$20,775,383.78. Total DCRP covered payroll was \$4,466,596.78. Covered payroll refers to all compensation paid by the Township to active employees covered by the Plan. Township and employee contributions to the DCRP for the year ended June 30, 2015 were \$4,169.57 and \$7,651.10, respectively.

#### Note 9: POST-RETIREMENT HEALTH CARE BENEFITS

*Plan Description*: The Township of North Brunswick contributes to the State Health Benefits Program (SHBP), a cost sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under N.J.S.A. 52:14-17.25 et seq., to provide health benefits to State employees, retirees, and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. The Township of North Brunswick provides postretirement health benefits to retirees of the PBA, SOA and FMBA only. All active full time employees are covered by the SHBP.

## NOTES TO THE FINANCIAL STATEMENTS

### Note 9: POST-RETIREMENT HEALTH CARE BENEFITS

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

Funding Policy: Participating employers are contractually required to be contributed based on the amount of premiums attributable to their retirees. Post-retirement medical benefits under the plan have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis.

Contributions to pay for the health premiums of participating retirees in the SHBP are billed to the Township of North Brunswick on a monthly basis. Currently there is no cost-sharing requirement for retirees.

At June 30, 2016 and 2015, Fifty-Two (52) and Forty-Nine (49) retirees were receiving post retirement health care benefits at an annual cost to the Township of approximately \$1,432,870.27 and \$1,183,661.51.

### Note 10: ACCRUED SICK AND VACATION BENEFITS

The Township has established uniform personnel policies via employee contracts and municipal ordinances that set forth the terms under which an employee may accumulate unused benefits as follows:

Sick Leave - Sick Leave shall accumulate at the rate of one (1) day per month for the first year of service and fifteen (15) days for each subsequent year for all permanent employees and shall be cumulative from year to year without limit. Upon retirement, the employee is entitled to receive partial payment for any unused accumulated sick leave computed on the basis of final wages and subject to limitations that vary with union affiliation.

Vacations - Vacation pay for permanent employees accumulates in accordance with the approved schedules. Vacation days may be taken in year earned, but not to exceed the number of days earned at time of vacation. Earned vacation day may be accumulated up to one (1) year of current vacation credits with the exception of employees in the PBA or SOA unions who may accumulate vacation days without limit.

Any employee who has separated his/her employment may be paid the salary equivalent to accrued vacation earned, not to exceed more than one (1) year of current vacation credits earned with the exception of those employees in the PBA or SOA.

The Township maintains up-to-date records of each employee's status relating to earned and unused sick and vacation pay. It is estimated that the cost of such unpaid sick and vacation pay would approximate \$5,995,893.00 and \$5,148,129.00 at June 30, 2016 and 2015. This amount represents the current value of all accumulations, and is not intended to portray amounts that would be recorded under GAAP. The Township has not discounted the total based upon a study of utilization by employees separating from service. Neither has it excluded the accumulations of any employees based upon the likelihood that the right to receive termination payments for such accumulations will vest with the employees. The amount that the valuation reported above would be reduced under either of the methodologies permitted under GAAP has not been determined. Expenditures for payment of accrued sick and vacation benefits are recorded in the period in which payments are made as part of the current year's operating budget appropriations.

## NOTES TO THE FINANCIAL STATEMENTS

### Note 11: RISK MANAGEMENT

Prior to December 31, 2010, the Township was a member of the Middlesex County Municipal Joint Insurance Fund (the Fund). The Fund, which is organized and operated pursuant to the regulatory authority of the Departments of Insurance and Community Affairs, State of New Jersey, provides for a pooling of risks, subject to established limits and deductibles. The Fund's governing board based upon actuarial and budgetary requirements calculates payments to the Fund. Each participant in the Fund is jointly and severely obligated for any deficiency in the amount available to pay all claims. Lines of coverage provided by the Fund include property; boiler and machinery; equipment floater; house flooding; underground storage tanks; auto physical; blanket bond; auto liability; general liability; law enforcement liability; public official liability and worker compensation and employer liability.

On January 1, 2011, the Township joined the Garden State Municipal Joint Insurance Fund. This Fund provides for a pooling of self-retained risks of insurable losses, as well as cost effective excess insurance coverage. At December 31, 2015, the Fund reported total assets of \$38,462,473, liabilities and reserves of \$38,229,591, which includes case reserves of \$24,242,036 and IBNR of \$13,429,258 and a fund balance of \$232,822.

### Note 12: LENGTH OF SERVICE AWARD PROGRAM (LOSAP) - UNAUDITED

The Township has instituted a Length of Service Award Program (LOSAP) pursuant to section 457(e) of the Internal Revenue Code and P.L. 1997, C. 388 as amended by P.L. 2001, C. 272 of the Statutes of New Jersey. The Program provides for fixed annual contributions to a deferred income account for volunteer firefighters and first aid and rescue squad members who meet specified service criteria. The Township sponsors the Program, which is administered by a private contractor. The LOSAP section of this document includes the relevant unaudited financial statements and notes for the Program.

### Note 13: DEFERRED COMPENSATION

The Township has instituted a Deferred Compensation Plan pursuant to section 457 of the Internal Revenue Code and P.L. 1977, C. 381; P.L. 1978, C. 39; P.L. 1980, C. 78; and P.L. 1997, C. 116 of the Statutes of New Jersey. The Plan is an arrangement whereby a public employer may establish a plan and permit its employees to voluntarily authorize a portion of their current salary to be withheld and invested in one or more of the types of investments permitted under the governing regulations. The Township has engaged a private contractor to administer the plan.

### Note 14: WATER AND SEWER UTILITY AGREEMENTS

On August 27, 2002, pursuant to the New Jersey Water Supply Public-Private Contracting Act, N.J.S.A. 58:26-19 et. seq and other applicable law, the Township entered into a water services agreement with the Middlesex County Improvement Authority and a joint venture of American Water Services, Inc. and JJS Management Services, LLC (the "Water Operator"). The agreement transferred the responsibilities for the operation, management, maintenance and repairs of the water system to the Water Operator.

Under the agreement, American Water operates, maintains and manages the System at all times on behalf of the Township in compliance withal federal, state and local laws and regulations for a fixed annual fee. The Township receives the revenues generated from user charges to water and sewer customers. Such user charges are based on annual base rates established by Township ordinance. American Water is responsible for the billing and collection of such user charges.

## NOTES TO THE FINANCIAL STATEMENTS

### Note 14: WATER AND SEWER UTILITY AGREEMENTS

In connection with the August 27, 2002 operating agreements with the water operator and wastewater operator, the Middlesex County Improvement Authority issued \$34,805,000 Township of North Brunswick Lease Revenue Bonds (Water/Wastewater System Project) Series 2002A, dated September 15, 2002. The Bonds finally mature October 1, 2022, and carry interest rates from 2.00% to 4.75% with yields of 1.40% to 4.65%. As of the date of the Bonds, the Township and the Authority entered into a Franchise Agreement, pursuant to which the Township conveyed to the Authority the franchise to operate and a leasehold interest in the Wastewater and Water Systems.

On September 24, 2006, the Township of North Brunswick terminated its agreement with United Water, Inc. ("aka U.S. Water") for the operation, maintenance and management services for the Township's wastewater system, and initiated an "in-house" sewer maintenance operation under the Department of Public Works.

On October 2011, the Township of North Brunswick issued \$20,105,000 General Obligations Water/Wastewater System Refunding Bonds, Series 2011A and \$400,000 General Obligation Water/Wastewater System Refunding Bonds, Series 2011B and refunded \$23,105,000 outstanding principal balance of the \$34,805,000 Township of North Brunswick Lease Revenue Bonds (Water/Wastewater System Project) Series 2002A, dated September 15, 2002, issued by the Middlesex County Improvement Authority. Interest rates on the refunding bonds ranged from 0.650% to 5.00% with yields of 0.650% to 2.61%.

### Note 15: SCHOOL TAXES

Tax revenue for the Township of North Brunswick Board of Education has been collected and the liability deferred by statute. The following is a schedule of deferred taxes:

	<u>2016</u>	<u>June 30</u>	<u>2015</u>
Balance of Tax	\$ 39,962,779.00		\$ 39,283,081.00
Deferred	<u>39,717,758.00</u>		<u>38,867,758.00</u>
Payable	<u>\$ 245,021.00</u>		<u>\$ 415,323.00</u>



## NOTES TO THE FINANCIAL STATEMENTS

### Note 16: AFFORDABLE HOUSING

On June 4, 2012, the governing body of the Township of North Brunswick authorized by resolution an agreement with the North Brunswick Housing Corporation to serve as Administrative Agent for the administration of affordable housing units within the Township of North Brunswick. The resolution also authorized the transfer of funds from the Affordable Housing Trust Fund to the North Brunswick Housing Corporation for affordability assistance in the accordance with the Townships Amended Spending Plan approved by the New Jersey Department of Community Affairs. The Township of North Brunswick transferred funds to the Housing Corporation in fiscal year 2013, as follow:

Housing Rehabilitation Program .....	\$1,075,000.00
Rent Subsidy Program .....	\$1,051,734.00
Market to Affordable Acquisitions and Renovations .....	\$450,000.00
Program Administration .....	\$425,346.80

The funding for the Market to Affordable Acquisition and Renovations program is contingent upon future development fee revenue as described in the spending plan and not projected to be realized until calendar years 2013 through 2018. Also, the Housing Corporation is entitled to a program administration fee to manage the Housing Rehabilitation and Rent Subsidy programs in an amount prescribed by affordable housing regulations at no more than 20% of the project cost and as detailed in the approved spending plan. Annual reporting obligations on behalf of the Corporation are presented to the Township.

### Note 17: COMMITMENTS AND CONTINGENCIES

The Township participates in several federal and state financial assistance grant programs. Entitlement to the funds is generally conditioned upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditures of funds for eligible purposes. These programs are also subject to compliance and financial audits by the grantors or their representatives. As of June 30, 2016 and the date of this report, the Township does not believe that any material liabilities will result from such audits.

As of the filing date of this report, the Township had pending litigations. Management's review of the pending litigations indicates that any judgments rendered against the Township will not have a material adverse impact on the Township's financial position.

### Note 18: SUBSEQUENT EVENTS

As of the date of the audit report, no events have occurred that would have a material effect on the financial statements.

**TOWNSHIP OF NORTH BRUNSWICK  
MIDDLESEX COUNTY, NEW JERSEY**

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**PART II  
REQUIRED SUPPLEMENTARY INFORMATION**

TOWNSHIP OF NORTH BRUNSWICK  
 SCHEDULE OF THE TOWNSHIP'S SHARE OF THE NET PENSION LIABILITY  
PUBLIC EMPLOYEES RETIREMENT SYSTEM (Local Group)

Last 10 Fiscal Years\*

	<u>2013</u>	<u>2014</u>	<u>2015</u>
Township's Proportion of the Net Pension Liability	0.001040517	0.001034894	0.00103740
Township's Proportionate Share of the Net Pension Liability	\$19,886,340	\$19,376,053	\$23,287,531
Township's Covered-Employee Payroll	\$7,198,093	\$7,344,993	\$7,179,038
Township's Proportionate Share of the Net Pension Liability as a percentage of the Covered-Employee Payroll	276.27%	263.80%	324.38%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	48.72%	52.08%	47.93%

\* Amounts presented for each fiscal year were determined as of June 30.

TOWNSHIP OF NORTH BRUNSWICK  
 SCHEDULE OF THE TOWNSHIP'S CONTRIBUTIONS  
PUBLIC EMPLOYEES RETIREMENT SYSTEM (Local Group)

Last 10 Fiscal Years\*

	<u>2014</u>	<u>2015</u>	<u>2016</u>
Contractually Required Contribution	\$ 784,008	\$ 853,152	\$ 891,885
Contribution in Relation to Contractually Required Contribution	<u>\$ (784,008)</u>	<u>\$ (853,152)</u>	<u>\$ (891,885)</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Township's Proportionate Share of the Payroll	\$ 7,198,093	\$ 7,344,993	\$ 7,179,038
Contributions as a percentage of Covered Employee Payroll	10.89%	11.62%	12.42%

\* Amounts presented for each fiscal year were determined as of June 30.

TOWNSHIP OF NORTH BRUNSWICK  
 SCHEDULE OF THE TOWNSHIP'S SHARE OF THE NET PENSION LIABILITY  
POLICE AND FIREMEN RETIREMENT SYSTEM  
 (Non-State, Non-Special Funding Situation Employer Member Group)

Last 10 Fiscal Years\*

	<u>2013</u>	<u>2014</u>	<u>2015</u>
Proportion of the Non-State, Non-Special Funding Situation Employer Group Net Pension Liability attributable to the Township	0.002571833	0.002470286	0.002891954
Share of the Liability of the State of New Jersey for the Net Pension Liability of the Non-State, Non-Special Funding Situation Employer Group	\$37,377,142	\$34,420,044	\$48,169,868
Township's Covered-Employee Payroll	\$11,292,169	\$11,522,621	\$9,129,749
Share of the Liability of the State of New Jersey for the Net Pension Liability of the Non-State, Non-Special Funding Situation Employer Group as a percentage of the Township's Covered-Employee Payroll	331.00%	298.72%	527.61%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability (See Note Below)	58.70%	64.41%	56.31%

\* Amounts presented for each fiscal year were determined as of June 30.

Note: Percentages shown are Plan-wide, and include NPL and PFNP data that include employees of the State of New Jersey.

TOWNSHIP OF NORTH BRUNSWICK  
 SCHEDULE OF THE TOWNSHIP'S CONTRIBUTIONS  
POLICE AND FIREMEN RETIREMENT SYSTEM  
 (Non-State, Non-Special Funding Situation Employer Member Group)

Last 10 Fiscal Years\*

	<u>2014</u>	<u>2015</u>	<u>2016</u>
Contractually Required Contribution	\$ 2,051,251	\$ 2,101,663	\$ 2,350,727
Contribution in Relation to Contractually Required Contribution	<u>\$ (2,051,251)</u>	<u>\$ (2,101,663)</u>	<u>\$ (2,350,727)</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Township's Proportionate Share of the Payroll	\$ 11,292,169	\$ 11,522,621	\$ 9,129,749
Contributions as a percentage of Covered Employee Payroll	18.17%	18.24%	25.75%

\* Amounts presented for each fiscal year were determined as of June 30.

**TOWNSHIP OF NORTH BRUNSWICK  
COUNTY OF SOMERSET, NEW JERSEY**

**NOTES TO REQUIRED SUPPLEMENTARY PENSION INFORMATION  
JUNE 30, 2016**

**NOTE 1. CHANGES IN ASSUMPTIONS**

Changes in Assumptions were applicable for current fiscal year.

**TOWNSHIP OF NORTH BRUNSWICK  
MIDDLESEX COUNTY, NEW JERSEY**

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**PART III**

**SUPPLEMENTARY SCHEDULES**



**Current Fund**

CURRENT FUND  
SCHEDULE OF CASH

	<u>Ref.</u>	Current	Grants
Cash Balance June 30, 2015	A	\$ 8,812,221.89	\$ 252,925.36
Increased by Cash Receipts			
Petty Cash.....	A-5	1,050.00	
Interfund Transfers			
Matching Funds For Grants.....	A-17		13,370.50
Due To Current Fund.....	A-14		125,000.00
Grant Adjustment.....	A-17	14.96	
NJ Sr Citizens and Vets Deductions.....	A-6	159,354.13	
Revenue Collection			
Taxes Receivable.....	A-7	128,608,421.46	
Homestead Benefit Rebates.....	A-7	1,151,767.81	
Misc Anticipated Revenue.....	A-2	11,466,212.30	
Misc Revenue Not Anticipated.....	A-8	307,169.76	
Grants Receivable.....	A-15		659,886.01
Unappropriated Grant Reserves.....	A-14		77,669.66
Miscellaneous Reserves.....	A-9	89,840.31	
Total Cash Receipts.....		141,783,830.73	875,926.17
Decreased by Disbursements			
Petty Cash.....	A-5	(1,050.00)	
Budget			
Budget Appropriations.....	A-3	(42,068,159.49)	
Appropriation Reserves.....	A-10	(1,219,651.36)	
Appropriated Grant Reserves.....	A-16		(1,126,560.11)
Interfund Transfers			
Due From Grant.....	A-17	(125,000.00)	
Grant Adjustment.....	A-17		(14.96)
Matching Funds for Transfer.....	A-17	(13,370.50)	
Tax Collections			
Tax Overpayments.....	A-11	(16,535.42)	
Taxes Payable.....	A-12	(98,452,573.92)	
Miscellaneous Reserves.....	A-9	(329,901.24)	
Total Cash Disbursements.....		(142,226,241.93)	(1,126,575.07)
Cash Balance June 30, 2016	A	\$ 8,369,810.69	\$ 2,276.46

CURRENT FUND  
SCHEDULE OF CHANGE PETTY CASH AND CHANGE FUNDS

	Balance June 30, 2015	Advanced	Returned	Balance June 30, 2016
Change Fund.....	\$ 1,125.00	\$ -	\$ -	\$ 1,125.00
Petty Cash Funds:				
Senior Center.....		200.00	200.00	
Public Works.....		200.00	200.00	
Police.....		250.00	250.00	
Purchasing.....		200.00	200.00	
Recreation.....		200.00	200.00	
Total	\$ 1,125.00	\$ 1,050.00	\$ 1,050.00	\$ 1,125.00
<u>Ref.</u>	A	A-4	A-4	A

CURRENT FUND  
SCHEDULE OF DUE NJ - SR CITIZENS & VETERANS DEDUCTIONS

<hr/>		
Balance June 30, 2015	<u>Ref.</u> A	\$ 165,229.00
Revenue - Eligible Sr Citizens & Veterans Deductions		
Original SFY 2016 Tax Levy.....		<u>157,132.19</u>
Total Revenue.....	A-7	<u>157,132.19</u>
Decreased by:		
Prior year Adjustment.....	A-1	(5,875.00)
Cash Received from State of NJ.....	A-4	<u>(159,354.13)</u>
		<u>(165,229.13)</u>
<hr/>		
Balance June 30, 2016	A	\$ 157,132.06
<hr/>		

CURRENT FUND  
SCHEDULE OF PROPERTY TAXES RECEIVABLE AND LEVY ANALYSIS

Ref.	FY 2017 Prepaid	FY 2016 Current	FY 2015 Delinquent	Tax Liens	Property Acquired for Taxes
Balance June 30, 2015	\$ 554,918.95			\$ 392,948.37	\$ 161,970.58
<b>Levy &amp; Adjustments</b>					
Original Levy.....	129,746,532.62	129,746,532.62			
Added Omitted & Rollback....	227,211.91	227,211.91			
Appeals & Canceled Taxes.....	(53,497.57)	(53,497.57)			
Transfers & Tax Lien Sales.....	-	(57,526.10)		57,526.10	
Cancel Municipal Liens.....	(24,230.61)			(24,230.61)	
Other Adjustments - by Resolution	1,894.51	(6,345.08)		8,239.59	
<b>Revenue</b>					
Sr. Citizens & Vets.....	(154,382.19)	(157,132.19)	2,750.00		
Prepays Applied.....	(258,845.51)	(258,845.51)			
Cash Receipts.....	(128,608,421.46)	(128,387,323.26)	(2,769.23)	(20,889.63)	
Homestead Benefit Rebates.....	(1,151,767.81)	(1,151,767.81)			
Overpayments Applied.....	0.00	83,783.63	19.23		
Overpayments Refunded.....	16,535.42	16,535.42			
Transfer to Prepaid.....					
Balance June 30, 2016	\$ 295,948.26	\$ (281,242.20)	\$ -	\$ 413,593.82	\$ 161,970.58
<b>Analysis of FY 2016 Property Tax Levy</b>					
<b>Tax Yield:</b>					
General Purpose Tax.....	Ref. A-7	\$ 129,746,532.62			\$ 99,132,271.91
Added Taxes.....	A-7	227,211.91			29,097,252.00
					1,480,011.00
					129,709,534.91
					264,209.62
Total Levy.....		\$ 129,973,744.53			\$ 129,973,744.53
<b>Current Taxes Realized</b>					
Sr. Citizens & Veterans Deductions.....	Ref. A-6, A-7	\$ 157,132.19			
Cash Receipts.....	A-7	128,387,323.26			
Prepaid Taxes Applied.....	A-7	258,845.51			
Homestead Benefits Credits.....	A-7	1,151,767.81			
Overpayment Applied.....	A-7	(83,783.63)			
Overpayment Refunded.....	A-7	(16,535.42)			
Subtotal - Revenue Realized including Adjustments.....		129,854,749.72			129,854,749.72
Reserve for Uncollected Taxes.....	A-1	646,349.00			
Total Revenue, Current Taxes.....	A-3	130,501,098.72			
Non-Municipal Taxes Payable.....	A-12	(99,132,271.91)			129,973,744.53
Revenue, Local Purpose Tax.....	A-2	\$ 31,368,826.81			
					99.908%

CURRENT FUND  
SCHEDULE OF NON-BUDGET REVENUE

	Ref	June 30, 2016	June 30, 2015
Receipts from Delinquent Taxes.....		<u>\$ 23,639.63</u>	<u>\$ 374,582.89</u>
Other Miscellaneous Revenues Not Anticipated:			
NSF Fees.....		130.00	120.00
Cellular Tower Lease.....		58,888.91	58,719.16
Cellular Franchise Fee.....		47,785.62	43,766.60
Inspection Fees - State of NJ.....		6,824.96	8,285.33
Miscellaneous.....		1,634.76	963.70
Sale of Municipal Assets (Auction).....		63,039.04	41,780.26
Buildings - Variations.....		672.00	604.00
Escrow Inspections.....		-	1,065.11
Admin Fee Sr. Ctr. & Vet Deduction.....		3,187.08	3,403.80
Collector - Lot Clean-up Fees.....		2,103.86	4,204.56
Church & Dwight - Lease Agreement.....		100.00	100.00
Bail Returned.....		4,098.00	1,611.00
Parks Recreation & Community Services			
Senior Citizen Center.....		525.50	1,440.50
Public Works			
Sanitation Bins / Automated Carts.....		2,395.00	1,890.00
Refuse Container Rental.....		9,200.00	8,800.00
Police - Admin Fee, Off-Duty Police.....		106,585.03	142,519.25
Total.....	A-4	<u>\$ 307,169.76</u>	<u>\$ 319,273.27</u>
Total.....		<u>\$ 330,809.39</u>	<u>\$ 693,856.16</u>

CURRENT FUND  
SCHEDULE OF CHANGES IN MISCELLANEOUS RECEIVABLES, ACCOUNTS PAYABLE & RESERVES

	June 30, 2015	Transfer from (to) Budget	Cash Receipts	Cash	Adjustments	June 30, 2016
Accounts Receivable:						
Municipal Services Reimbursement.....	\$ (3,400.00)					\$ (3,400.00)
Total Accounts Receivable.....	(3,400.00)					(3,400.00)
Accounts Payable:						
Filing Fees Due State of NJ:						
Marriage Licenses.....	1,800.00		6,775.00	(6,375.00)		2,200.00
DCA - UCC Training.....	12,455.00		78,776.00	(64,712.00)		26,519.00
Civil Union.....	75.00					75.00
Total Filing Fees Due NJ.....	14,330.00		85,551.00	(71,087.00)		28,794.00
Vendor Accounts Payable.....	335,981.68	5,697.68		(258,814.24)	(70,703.00)	12,162.12
Total Payable.....	350,311.68	5,697.68	85,551.00	(329,901.24)	(70,703.00)	40,956.12
Reserves:						
Reserve for Tax Appeals.....	340,803.86	20,000.00				360,803.86
Reserve for Rental Inspections - Crescent...	180.00					180.00
Reserve for FMBA Health.....	17,134.57		4,289.31			21,423.88
Total Reserves.....	358,118.43	20,000.00	4,289.31	-		382,407.74
Total.....	\$ 705,030.11	\$ 25,697.68	\$ 89,840.31	\$ (329,901.24)	\$ (70,703.00)	\$ 419,963.86
Ref.....	A	A-3, A-10	A-4	A-4	A-1	A

CURRENT FUND  
SCHEDULE OF FY 2015 APPROPRIATION RESERVES

	June 30, 2015 Balance	Salaries	Other	Encumbrances	Transfer 7/6/15	Transfer 8/3/15	Salaries	Expended	Other	Transferred to Accounts Payable	Balance Lapsed
<b>General Government:</b>											
Administration.....	\$	7,897.84	\$	13.21			\$	(5,000.00)	-	\$	2,911.05
Municipal Clerk.....		4,651.03	42,701.02	1,408.70				-	(39,548.91)		9,211.84
Financial Administration.....		15,954.80	8,075.76	83.96				(15,000.00)	(653.53)		8,460.99
Audit.....		-	-	55,000.00				-	(55,000.00)		-
Information Technology.....		12,714.54	1,084.56	1,068.04				(10,000.00)	(961.34)		3,905.80
Tax Collection.....		1,314.81	807.29	1,387.00				-	(1,387.00)		2,122.10
Tax Assessment.....		1,946.59	27,301.25	7,175.74				-	(6,535.50)		29,888.08
Legal.....		-	22,368.30	22,291.54				-	(38,188.90)		6,470.94
Insurance:											
Other Insurance.....		-	2,063.66	3,098.00				-	(1,183.83)	(3,098.00)	879.83
Employee Group Insurance.....		-	157,159.98	-				-	(6,914.00)		150,245.98
Health Benefit Waiver.....		-	3,542.02	-				-	-		3,542.02
<b>Community Development</b>											
Engineering.....		4,591.61	15,427.15	45,839.75					(18,495.50)		47,363.01
Planning.....		457.89	7,977.36	2,718.56					(97.50)		11,056.31
Zoning.....		615.56	1,086.77	2,500.00					-		4,202.33
Affordable Housing.....		-	100.00	-					-		100.00
Code Enforcement.....		483.55	881.54	650.50					(437.00)		1,578.59
Fire Safety.....		6,238.19	166.87	500.00					(503.48)		6,401.58
Uniform Construction Code.....		3,635.34	1,275.70	14,112.04					(4,328.84)		14,694.24
<b>Public Safety:</b>											
Police.....		226,705.69	15,419.96	120,164.40	(200,000.00)		(92,215.71)		(48,383.83)		21,690.51
Emergency Management.....		31,065.06	21,642.40	1,000.00	(25,000.00)				(704.20)		28,003.26
Volunteer Fire Departments.....		-	1,898.10	9,845.50					(9,773.27)		1,970.33
First Aid Organizations.....		-	5,000.00	-					-		5,000.00
Length of Service Award Program.....		-	1,742.72	10,398.72					(6,932.48)	(2,599.68)	2,609.28
Juvenile Aid.....		-	3,601.00	-					-		3,601.00
Municipal Court.....		1,952.41	942.23	2,808.90					(3,739.36)		1,964.18
Public Defender.....		-	18,798.00	-					-		18,798.00
<b>Public Works:</b>											
Streets and Roads.....		45,531.69	10,420.53	107,763.71	(40,000.00)	(90,000.00)			(25,150.49)		8,565.44
Sanitation.....		2,984.03	32,953.93	1,407.96					(12,592.49)		24,753.43
Solid Waste Disposal Fees.....		-	4,900.00	96,704.22					(79,131.53)		22,472.69
Recycling.....		-	12,414.80	3,267.70					(1,717.70)		13,964.80
Buildings and Grounds.....		8,762.58	14,316.84	33,100.09					(31,705.84)		24,473.67
Motor Vehicle Maintenance.....		30,715.67	4,336.70	21,741.96			(14,374.00)		(31,527.86)		10,892.47
Muni Service Reimbursement.....		-	70,189.38	-					(67,286.00)		2,903.38
Condominiums.....		-	-	-					-		-



CURRENT FUND  
SCHEDULE OF FY 2015 APPROPRIATION RESERVES

	June 30, 2015 Balance	Other	Encumbrances	Transfer 7/6/15	Transfer 8/3/15	Salaries	Expended	Other	Transferred to Accounts Payable	Balance Lapsed
	Salaries									
NJDEP - Stormwater Permit.....	53,407.91	12,000.00	-	(50,000.00)				-		15,407.91
Parks Recreation & Community Services										
Board of Health.....	-	714.22	-					-		714.22
Animal Control.....	1,000.00	26,843.48	1,423.10					(9,368.10)		19,898.48
Environmental Commission.....	-	-	-					-		-
Recreation & Community Services.....	2,503.33	578.89	8,906.93	10,000.00		(0.05)		(9,901.89)		12,087.21
Senior Services.....	4,218.26	46,883.31	(14,118.73)			3,844.00		(18,549.93)		22,276.91
Parks and Playgrounds.....	45,920.90	196.12	76,138.75	(20,000.00)		17,478.81		(99,328.31)		20,406.27
Unclassified										
Salary Adjustments.....	-	-	-					-		-
Utilities / Facilities Costs.....	-	73,539.15	51,152.81					(36,389.02)		88,302.94
Contingency.....	-	100.00	-					-		100.00
Statutory Expenditures:										
Public Employees Retirement.....	-	22,966.78	-					(22,966.78)		-
Police & Fire Retirement.....	-	10,589.00	-					-		10,589.00
DCRP.....	-	2,139.25	-					-		2,139.25
Social Security.....	-	113,478.11	-					-		113,478.11
Matching Funds for Grants.....	-	30,682.42	-					-		30,682.42
<b>Total Operations</b>	<b>\$ 515,269.28</b>	<b>\$ 851,319.76</b>	<b>\$ 689,539.85</b>	<b>\$ (325,000.00)</b>	<b>\$ (90,000.00)</b>	<b>\$ (115,266.95)</b>	<b>\$ (689,384.41)</b>	<b>\$ (5,697.68)</b>	<b>\$</b>	<b>\$ 830,779.85</b>
	<u>Ref</u>		<u>A</u>						<u>A-9</u>	<u>A-1</u>
Salaries.....		\$ 515,269.28					\$ (440,266.95)			
Other Expenses.....		<u>851,319.76</u>					<u>(779,384.41)</u>			
<b>Total.....</b>	<b>A</b>	<b>\$ 1,366,589.04</b>				<u>Ref</u>	<b>\$ (1,219,651.36)</b>	<b>A-4</b>		

CURRENT FUND  
SCHEDULE OF PREPAID PROPERTY TAX & PROPERTY TAX OVERPAYMENTS

			FY 2017 Prepaid	FY 2016 Prepaid	FY 2016	FY 2015 Overpayments
		Total				
Balance June 30, 2015		\$ (258,845.51)	\$ -	\$ (258,845.51)	\$ -	\$ -
Taxes Received.....	A-7	(16,535.42)			(16,535.42)	
Transferred (from) or to Taxes Receivable.....	A-7	(197,439.34)	(197,439.34)			
Prepaid Taxes Applied.....	A-7	258,845.51		258,845.51		
Overpayments Refunds.....	A-4	16,535.42			16,535.42	
Overpayments Applied.....	A-7	(83,802.86)	(83,802.86)			
Balance June 30, 2016	A	\$ (281,242.20)	\$ (281,242.20)	\$ -	\$ -	\$ -

CURRENT FUND  
SCHEDULE OF TAXES PAYABLE

Ref.	June 30, 2015	Taxes Levied	Cash Disbursements	June 30, 2016
County - General.....	\$ -	\$ 16,417,197.69	\$ (16,417,197.69)	\$ -
County - Open Space.....	-	1,340,220.66	(1,340,220.66)	-
County - Added & Omitted.....	-	31,747.44	(31,747.44)	-
Local School District Taxes.....	39,283,081.00	80,605,256.00	(79,925,558.00)	39,962,779.00
Local Open Space.....	-	737,850.13	(737,850.13)	-
Sub-Total.....	39,283,081.00	99,132,271.91	(98,452,573.92)	39,962,779.00
School Taxes Deferred.....	(38,867,758.00)	(850,000.00)	-	(39,717,758.00)
Total Taxes Payable.....	\$ 415,323.00	\$ 98,282,271.91	\$ (98,452,573.92)	\$ 245,021.00
<u>Ref.</u>	A	A-1, A-7	A-4	A

CURRENT FUND  
NON-LOCAL TAX LEVY CALCULATION

Ref.	Total	County Lax Levy.....				Library
		General	Open Space	Added & Omitted	Taxes	Local Open Space
Calendar Year 2015 Tax Levy.....	\$ 98,550,627.47	\$ 16,538,239.87	\$ 1,349,714.42	\$ -	\$ 79,925,558.00	\$ 737,115.18
1/1-6/30/2015 Levy (1/2 CY15).....	48,725,416.74	8,390,162.12	684,350.98	-	39,283,081.00	367,822.64
7/1-12/31/2015 Levy.....	49,825,210.74	8,148,077.75	665,363.45	-	40,642,477.00	369,292.54
1/1-6/30/2016 Levy (1/2 CY16).....	49,275,313.74	8,269,119.94	674,857.21	-	39,962,779.00	368,557.59
SFY 2016 Tax Levy.....	\$ 99,100,524.47	\$ 16,417,197.69	\$ 1,340,220.66	\$ -	\$ 80,605,256.00	\$ 737,850.13
A-12						1,476,915.61

	CY 2014		CY 2015		CY 2016	
	Rate	Levy	Rate	Levy	Rate	Levy
County General Tax.....	\$ 0.685	\$ 16,780,324.24	\$ 0.674	\$ 16,538,239.87	\$ 0.667	\$ 16,406,587.68
County Open Space.....	0.056	1,368,701.950	0.055	1,349,714.420	0.056	1,360,169.170
Local School Tax.....	3.204	78,566,162.000	3.253	79,925,558.000	3.325	81,847,325.000
Municipal Open Space.....	0.030	735,645.280	0.030	737,115.180	0.030	738,579.120
Library.....	0.061	1,486,203.040	0.060	1,480,011.420	0.060	1,496,211.610
Total - Non Municipal.....	4.036	98,937,036.510	4.072	100,030,638.890	4.138	101,848,872.580
Local Purpose Municipal Tax.....	1.154	28,307,167.660	1.177	28,929,745.640	1.202	29,608,164.830
Total CY Tax Levy.....	\$ 5.190	\$ 127,244,204.17	\$ 5.249	\$ 128,960,384.53	\$ 5.340	\$ 131,457,037.41
Net Valuation Taxable.....		2,452,150,931.00		2,457,050,620.00		2,461,930,410.00

CURRENT FUND  
SCHEDULE OF INTERFUNDS

	<u>Ref.</u>	
Interfund Balance - June 30, 2015		\$ -
Increased by		
Cash Disbursements.....	A-4	(125,000.00)
<hr/>		
Interfund Balance (Due from Grant Fund) June 30, 2016	A	\$ (125,000.00)

STATE AND FEDERAL GRANT FUND  
SCHEDULE OF UNAPPROPRIATED GRANT RESERVES

Grant Name	June 30, 2015	Approp- riated	Cash Receipts	June 30, 2016
<hr/>				
<u>Fiscal Year 2015</u>				
Clean Communities.....	\$ 67,508.87	\$ 67,508.87	\$ -	\$ -
Alcohol Education & Enforcement Fund.....	1,237.60	1,237.60		
 <u>Fiscal Year 2016</u>				
Clean Communities.....			76,944.48	76,944.48
Alcohol Ed. Rehab. Enforcement Fund.....			725.18	725.18
<hr/>				
Total.....	\$ 68,746.47	\$ 68,746.47	\$ 77,669.66	\$ 77,669.66
Ref.	A	A-15	A-4	A

STATE AND FEDERAL GRANT FUND  
SCHEDULE OF GRANTS RECEIVABLE

	June 30, 2015	Adopted	Budget.....	Cash	Unappropriated Realized	Canceled	June 30, 2016
			NJSA 40A:4-87				
<u>STATE GRANTS</u>							
Community Development:							
NJ DOT - Mae Brook (Water).....	\$ 30,793.50		\$ -	-			\$ 30,793.50
NJ DOT - Mae Brook (Sewer).....	32,371.00		-	-			32,371.00
NJ DOT - Rt 1 Sec (6V) Bridge (Water).....	20,000.00		-	-			20,000.00
NJ DOT - Rt 1 Sec (6V) Bridge (Sewer).....	20,000.00		-	-			20,000.00
NJ DOT - Rt 27 Sec (6V) Bridge (Water).....	5,000.00		-	-			5,000.00
NJ DOT - Rt 130/Adams Lane (Water).....	15,000.00		-	-			15,000.00
NJ DOT - Rt 130/Adams Lane (Sewer).....	10,000.00		-	-			10,000.00
NJ DOT - Rt 130 - Mae Brook.....	5,000.00		-	-			5,000.00
NJ DOT - Rt 130/Adam Lane - Sewer.....	25,000.00		-	-			25,000.00
NJ DOT - Rt 130/Adam Lane - Water.....	25,000.00		-	-			25,000.00
NJ DOT - Redmond Street.....	85,000.00		-	-			85,000.00
NJ DOT - Stevens Street.....	-	400,000.00	-	-			400,000.00
Public Safety:							
Drunk Driving Enforcement.....	-		6,483.89	(6,483.89)			-
Body Armor Grant - State.....	-		7,319.73	(7,319.73)			-
Distracted Driving.....	-		-	-			-
Hazard Mitigation Grant Program - Energy Allocation..	250,000.00		-	-			250,000.00
Pedestrian Safety, Education and Enforcement.....	13,700.00		-	(13,700.00)			-
Pedestrian Safety, Education and Enforcement.....	-		15,000.00	-			15,000.00
Parks Recreation & Community Service							
Municipal Alliance.....	-	41,482.00	-	(6,110.03)			35,371.97
Municipal Alliance.....	40,631.25		-	(39,110.75)		(1,520.50)	-
Green Acres.....	-	825,000.00	-	-		(3,000.00)	825,000.00
Green Communities.....	3,000.00		-	-			-
Public Works:							
Clean Communities.....	-	67,508.87	-	-	(67,508.87)		-
Recycling Tonnage Grant.....	-		64,644.79	(64,644.79)			-
E-Waste.....	-	3,340.99	-	(3,340.99)			-
Municipal Court							
Alcohol Education & Enforce Fund.....	-	1,237.60	-	-	(1,237.60)		-
Total - State Grants.....	\$ 580,495.75	\$ 1,338,569.46	\$ 93,448.41	\$ (140,710.18)	\$ (68,746.47)	\$ (4,520.50)	\$ 1,798,536.47

STATE AND FEDERAL GRANT FUND  
SCHEDULE OF GRANTS RECEIVABLE

	June 30, 2015	Adopted .....Budget..... NISA 40A 4-87	Cash	Unappropriated Realized	Canceled	June 30, 2016
<b>FEDERAL GRANTS</b>						
Community Development:						
Streetscape - Livingston Avenue.....	100,000.00	-	-	-	-	100,000.00
Public Safety:						
Bullet Proof Vest Grant - Federal.....	-	18,307.73	-	-	-	18,307.73
Bullet Proof Vest Grant - Federal.....	1,282.18	-	(1,282.18)	-	-	-
Bullet Proof Vest Grant - Federal.....	10,425.48	-	(10,425.48)	-	-	-
Safe and Secure.....	-	60,000.00	-	-	-	60,000.00
Safe and Secure.....	30,000.00	-	(30,000.00)	-	-	-
Click it or ticket.....	-	5,000.00	-	-	-	5,000.00
Drive Sober or Get Pulled Over.....	-	5,000.00	(4,750.00)	-	(250.00)	-
Highway Safety Safe Corridors.....	-	-	-	-	-	-
Highway Safety Safe Corridors.....	112,988.17	-	(112,988.17)	-	-	42,708.04
COPS in Shops.....	-	-	-	-	-	-
OCDEF.....	31.75	-	-	-	(31.75)	-
EMMA.....	-	5,000.00	(5,000.00)	-	-	-
Parks Recreation & Community Service						
Heritage Day (County/Federal).....	-	6,000.00	(4,500.00)	-	-	1,500.00
Heritage Day (County/Federal).....	1,575.00	-	(1,575.00)	-	-	-
Senior Center Meal Program.....	11,404.00	-	(10,955.00)	-	(449.00)	-
Senior Center Meal Program.....	-	16,500.00	(3,941.00)	-	-	12,559.00
Senior Center Transportation.....	-	5,000.00	(1,116.00)	-	-	3,884.00
Senior Center Transportation.....	2,959.00	-	(2,959.00)	-	-	-
Senior Center Outreach Grant.....	359.00	-	-	-	(359.00)	-
Senior Center Outreach Grant.....	7,763.00	-	(7,763.00)	-	-	-
Senior Center Outreach Grant.....	-	9,500.00	(1,821.00)	-	-	7,679.00
Department of Transportation						
NJ DOT - Nassau Street.....	350,000.00	-	(262,500.00)	-	-	87,500.00
Other Grants						
MCPO Task Force.....	-	12,000.00	(6,000.00)	-	-	6,000.00
MCPO Community Concerns.....	6,000.00	-	(6,000.00)	-	-	-
Cable Vision - PEG Access Programming Grant.....	-	45,600.00	(45,600.00)	-	-	-
Total - Federal Grants.....	634,787.58	220,615.77	(519,175.83)	-	(1,089.75)	345,137.77
Total - All Grants.....	\$ 1,215,283.33	\$ 1,338,569.46	\$ (659,886.01)	\$ (68,746.47)	\$ (5,610.25)	\$ 2,143,674.24
Adopted Budget.....	A	A-2	A-4	A-14	A-17	A
Amended (NISA 40A 4-87).....		A-2				
Total.....		A-2, A-17				

STATE AND FEDERAL GRANT FUND  
SCHEDULE OF APPROPRIATED GRANT RESERVES

.....Budget.....											
		June 30, 2015	Adopted	NISA 40A:4-87	6/30/15 Encumbrances	Paid or Charged	Canceled	June 30, 2016 Encumbrances	June 30, 2016		
<b>STATE GRANTS</b>											
Community Development:											
NJ DOT - Mae Brook (Water).....	FY04	\$ -			\$ 14,698.25			\$ (14,698.25)	\$ -		
NJ DOT - Mae Brook (Sewer).....	FY04	-			15,342.75			(15,342.75)	-		
NJ DOT - Rt 1 Sec (6V) Bridge (Water).....	FY06	-			7,451.00			(7,451.00)	-		
NJ DOT - Rt 1 Sec (6V) Bridge (Sewer).....	FY06	-			19,474.00			(19,474.00)	-		
NJ DOT - Rt 27 Sec (6V) Bridge (Water).....	FY06	-			1,744.75				-		
NJ DOT - Rt 130/Adams Lane (Water).....	FY09	-			11,616.75				1,744.75		
NJ DOT - Rt 130/Adams Lane (Sewer).....	FY09	-			3,321.75			(11,616.75)	-		
NJ DOT - Rt 130 - Mae Brook.....	FY09	-			2,430.00			(3,321.75)	-		
NJ DOT - Pedestrian/Bicycle Path.....	FY09	-			81,240.45			(2,430.00)	-		
NJ DOT - Rt 130/Adams Lane (Water).....	FY13	-			8,910.50			(81,212.00)	28.45		
NJ DOT - Rt 130/Adams Lane (Sewer).....	FY13	-			22,498.00				8,910.50		
NJ DOT - Redmond Street.....	FY14	-			41,097.50				22,498.00		
NJ DOT - Stevens Street.....	FY16	-	400,000.00			(41,097.50)		(400,000.00)	-		
Public Safety:											
Drunk Driving Enforcement Fund.....	FY16			6,483.89					-		
Drunk Driving Enforcement Fund.....	FY15	9,134.44							6,483.89		
Drunk Driving Enforcement Fund.....	FY14	12,085.65							9,134.44		
Drunk Driving Enforcement Fund.....	FY13	8.35						(66.00)	11,105.00		
Body Armor Grant - State.....	FY16	-		7,319.73		(914.65)			-		
Body Armor Grant - State.....	FY15	-			6,910.70	(7,319.73)			-		
Body Armor Grant - State.....	FY14	-			3,078.15	(6,910.70)			-		
Safe & Secure.....	FY15	45,000.00				(45,000.00)			-		
Safe & Secure.....	FY16	-		60,000.00		(45,000.00)			15,000.00		
Hazard Mitigation Grant Program - Energy Allocation.....	FY15	250,000.00				(250,000.00)			-		
Pedestrian Safety, Education and Enforcement.....	FY16	-		15,000.00		(14,784.20)			-		
Pedestrian Safety, Education and Enforcement.....	FY15	8,750.00				(8,750.00)			215.80		
Parks Recreation & Community Service											
Clean Communities.....	FY16	-	67,508.87						-		
Clean Communities.....	FY15	36,032.81				(55,823.42)		(10,966.00)	719.45		
Clean Communities.....	FY14	-			1,971.00	(36,032.81)			-		
Municipal Alliance.....	FY16	-				(1,971.00)			-		
Municipal Alliance.....	FY15	2,946.94	51,852.50			(34,884.12)		(16,968.38)	-		
Municipal Alliance.....	FY14	4.45			4,001.99	(5,427.67)	(1,521.26)		-		
Green Communities.....	FY13	5.25					(4.45)		-		
Green Acres.....	FY16	-	825,000.00			2,994.75	(3,000.00)		-		
									825,000.00		



STATE AND FEDERAL GRANT FUND  
SCHEDULE OF APPROPRIATED GRANT RESERVES

.....Budget.....												
		June 30, 2015	Adopted	NJSA 40A:4-87	6/30/15 Encumbrances	Paid or Charged	Canceled	June 30, 2016 Encumbrances	June 30, 2016			
Public Works:												
Recycling Tonnage Grant.....	FY16	-		64,644.79		(14,553.87)			50,090.92			
Recycling Tonnage Grant.....	FY15	100,230.81				(100,230.81)			-			
Recycling Tonnage Grant.....	FY14	63,168.74				(62,395.91)			772.83			
Recycling Tonnage Grant.....	FY13	0.88				(0.88)			-			
Recycling Tonnage Grant.....	FY11	272.37			15,000.00	(272.37)		(15,000.00)	-			
Recycling Tonnage Grant.....	FY10	-			30,490.00			(30,490.00)	-			
Stormwater Regulation Management.....	FY06	-			9.75		(9.75)		-			
Municipal Court									-			
Alcohol Education & Enforce Fund.....	FY15	2,253.07	1,237.60			(1,300.00)			953.07			
Alcohol Education & Enforce Fund.....	FY16	-							1,237.60			
Total - State Grants.....		529,893.76	1,345,598.97	153,448.41	291,287.29	(732,761.39)	(4,535.46)	(629,036.88)	953,894.70			
FEDERAL GRANTS												
Public Safety:												
Bullet Proof Vest Grant - Federal.....	FY15	-			10,425.48	(10,425.48)			-			
Bullet Proof Vest Grant - Federal.....	FY14	-			737.77	(737.77)			-			
Bullet Proof Vest Grant - Federal.....	FY13	544.36				(544.36)			-			
Bullet Proof Vest Grant - Federal.....	FY12	-							-			
Bullet Proof Vest Grant - Federal.....	FY16	-		18,307.73					18,307.73			
Click it or Ticket.....	FY16	-		5,000.00		(5,000.00)			-			
Drive Sober or Get Pulled Over.....	FY16	-	5,000.00			(4,750.00)	(250.00)		-			
OCDETF.....	FY15	31.75					(31.75)		-			
Highway Safety Safe Corridors.....	FY16	-		42,708.04					-			
Highway Safety Safe Corridors.....	FY15	-							-			
EMMA.....	FY16	-	5,000.00			(42,471.25)			236.79			
Parks Recreation & Community Service						(5,000.00)			-			
Fed/County - Senior Center Congregate MealsGrant...	FY16	-		16,500.00		(6,750.47)		(100.00)	-			
Fed/County - Senior Center Congregate MealsGrant...	FY15	10,259.07			400.00	(10,210.07)	(449.00)		9,649.53			
Fed/County - Senior Center TransportationGrant.....	FY16	-		5,000.00		(5,000.00)			-			
Fed/County - Senior Center TransportationGrant.....	FY15	2,959.00				(2,959.00)			-			
Fed/County - Senior Outreach Program.....	FY14	359.00							-			
Fed/County - Senior Outreach Program.....	FY15	7,763.00					(359.00)		-			
Fed/County - Senior Outreach Program.....	FY16	-		9,500.00		(7,763.00)			-			
Department of Transportation						(4,750.00)			4,750.00			
NJ DOT - Nassau Street.....	FY15	350,000.00				(263,547.42)		(86,452.58)	-			
Total - Federal Grants.....		21,916.18	10,000.00	97,015.77	11,563.25	(369,908.82)	(1,089.75)	(86,552.58)	32,944.05			

STATE AND FEDERAL GRANT FUND  
SCHEDULE OF APPROPRIATED GRANT RESERVES

	June 30, 2015	Budget			Paid or Charged	Canceled	June 30, 2016 Encumbrances	June 30, 2016
		Adopted	NISA 40A:4-87	6/30/15 Encumbrances				
Other/County/Local Grants:								
Cable Vision - PEG Access Programming Grant.....	FY16	-	45,600.00		(3,549.90)			42,050.10
County - Heritage Day.....	FY15	9,450.00			(8,340.00)		(337.84)	772.16
County - Heritage Day.....	FY16	-	9,000.00					9,000.00
Open Space - Recreation Pedestrian/Bicycle.....	FY07	-		75,809.50				-
Bristol Myers Squibb - Abilities Council.....	FY12	1,542.24					(75,809.50)	1,542.24
Bristol Myers Squibb - Abilities Council.....	FY13	2,000.00						2,000.00
MCPO Community Concerns.....	FY16	-	12,000.00		(6,000.00)			6,000.00
MCPO Community Concerns.....	FY14	6,000.00			(6,000.00)			-
MC Streetscape - Livingston Avenue.....	FY12	100,000.00						100,000.00
E-Waste.....	FY16	-	3,340.99					3,340.99
ANJEC Sustainable Land Use Planning.....	FY13	-						
Total - Other/County/Local Grants.....		118,992.24	66,600.00	75,809.50	(23,889.90)	-	(76,147.34)	164,705.49
TOTAL - ALL Grants								
Ref.	\$	670,802.18	\$ 1,358,939.96	\$ 317,064.18	\$ (1,126,560.11)	\$ (5,625.21)	\$ (791,736.80)	1,151,544.24
	A	A	A-3,A-17	A	A-4	A-17	A	A
Adopted Budget.....	\$	1,358,939.96						
Amended.....		317,064.18						
Total.....	\$	1,676,004.14						

STATE & FEDERAL GRANT FUND  
SCHEDULE OF INTERFUND CURRENT FUND / GRANT FUND

	<u>Ref.</u>	
Interfund Balance (Due Current Fund) June 30, 2015		\$ -
Increased by		
Cash Disbursed from Grant Fund to Current Fund.....	A-1,A-4	14.96
Interfund - Due to Current Fund.....	A-4	125,000.00
Local Match Requirement		
Appropriated Reserves.....	A-16	1,676,004.14
Less Grant Revenues.....	A-15	<u>(1,652,633.64)</u>
Local Match Requirement.....	A-4	<u>23,370.50</u>
Total Increases.....		\$ 148,385.46
Decreased by		
Adjustments		
Appropriated Reserves Canceled.....	A-16	(5,625.21)
Grant Receivables Canceled.....	A-15	5,610.25
Grant Adjustment		(14.96)
Cash Disbursed from Current Fund to Grant Fund.....	A-4	<u>(13,370.50)</u>
Total Decreases.....		\$ (13,385.46)
Interfund Balance (Due Current Fund) June 30, 2016	A	<u>\$ 135,000.00</u>

**Trust Fund**

TRUST FUND  
SCHEDULE OF ASSESSMENTS RECEIVABLE

Description	Confirmation		Due Dates	Balance 06/30/15 & 06/30/16
	Date	Installments		
<u>Assessments Receivable</u>				
Georges Road / Route #1 - Water.....	12/8/81	10	12/8/1981-1990	\$ 371.00
Total Assessments Receivable.....				\$ 371.00
<u>Assessment Liens</u>				
Maple Meade - Sewer.....	11/12/72			\$ 255.00
Maple Meade/Church Lane - Sewer....	08/21/74			396.00
East Adams - Sewer.....	11/15/76			13,763.00
Adams Lane - Water.....	07/07/75			34,791.00
East Adams - Water.....	12/18/77			3,659.00
Linder, Evelyn & Thomas.....	06/19/78			3,666.00
Aaron Road - Section 1.....	12/03/83			1,278.00
Marigold - LaRose.....	12/28/77			2,654.00
Interest & Costs on Assessment Liens.....				10,222.00
Total Assessment Liens Receivable.....				70,684.00
Total Assessments & Assessment Liens Receivable.....				\$ 71,055.00
			<u>Ref.</u>	B

TRUST FUND  
SCHEDULE OF CASH AND RESERVE ACTIVITY

	Balance June 30, 2015	Receipts	Disbursements	Adjustments	Balance June 30, 2016
Animal Control Trust Fund					
Due NJ - Animal License Fees.....	\$ 39.00	\$ 2,254.80	(2,230.20)	\$	63.60
Animal Control Reserves.....	28,125.27	14,273.20	(5,603.47)		36,795.00
Payroll	-				-
Deductions Payable.....	2,587.48	22,163,134.75	(22,163,332.75)		2,389.48
Miscellaneous.....	17,732.54	0.12	(555.90)		17,176.76
Recreation Trust.....	1,004,174.79	1,266,884.85	(1,265,861.83)		1,005,197.81
Developers' Escrow					
Inspections.....	318,307.92	272,684.71	(186,899.20)		404,093.43
Technical Review.....	222,716.72	295,986.62	(299,103.54)	3.00	219,602.80
Performance Bonds.....	662,515.66	169,044.63	(139,852.06)		691,708.23
Regional Contribution Agreement					
Affordable Housing Contribution, Phase II.....	1.53	-	(1.53)		-
Growth Share Reserve.....	117,281.53	457.05	(10,141.35)		107,597.23
Other Trust Funds					
Finance					
NJ Unemployment.....	191,189.04	43,847.92	(66,167.50)		168,869.46
Terminal Leave.....	107,571.40	960,000.00	(456,910.55)		610,660.85
Tax Sale - Premium on TTL.....	1,277,300.00	798,000.00	(938,400.00)		1,136,900.00
Open Space					
Dedicated Tax Levy - Open Space.....	166,218.64	737,850.13	(850,000.00)		54,068.77
Developer Parkland Improvements.....	68,818.69	-	(68,818.69)		-
Tree Preservation.....	206,766.30	27,400.00	(56,766.30)		177,400.00
Program Income.....	93,007.28	10,922.00	(10,865.06)		93,064.22
Public Safety					
Forfeited Funds.....	50,262.09	2,308.38	(33,663.26)		18,907.21
Seized Funds.....	913.00	16,486.10	-		17,399.10
Unclaimed Funds.....	5,917.80	-	(2,124.21)		3,793.59
Miscellaneous.....	9,493.56	638,185.59	(638,387.00)		9,292.15
Uniform Fire Code.....	29,638.61	8,849.00	(3,996.03)		34,491.58

TRUST FUND  
SCHEDULE OF CASH AND RESERVE ACTIVITY

	Balance June 30, 2015	Receipts	Disbursements	Adjustments	Balance June 30, 2016
<b>Municipal Court</b>					
Handicapped Parking.....	250.00	600.00	-		850.00
Public Defender.....	24,704.59	22,696.00	(22,000.00)		25,400.59
POAA Fines.....	505.57	158.00	-		663.57
<b>Public Works - Snow Removal.....</b>	<b>107,336.78</b>	<b>177,950.78</b>	<b>(136,511.33)</b>		<b>148,776.23</b>
Donations, Gifts, & Bequests.....	3,889.55	255.00	-		4,144.55
<b>Community Development Department</b>					
FY12 - Individual Housing Rehabilitation.....	1,313.23	-	(175.28)		1,137.95
FY12 - Livingston Avenue/Parkway Island.....	17,428.75	-	(17,428.75)		-
FY12 - Due Middlesex County.....	(17,428.75)	17,428.75	-		-
FY13 - Livingston Avenue/Parkway Island.....	10,951.00	-	(10,951.00)		-
FY13 - Due Middlesex County.....	(10,951.00)	10,951.00	-		-
FY14 - Individual Housing Rehabilitation.....	95.00	-	-		-
FY14 - Livingston Ave/Parkway Island Sidewalk.....	25,519.00	-	(25,519.00)		95.00
FY14 - Due Middlesex County.....	(55,322.57)	55,227.57	-		(95.00)
FY15 - Individual Housing Rehabilitation.....	5,493.72	-	(5,493.72)		-
FY15 - Due Middlesex County.....	(98,197.00)	97,735.33	-		(461.67)
FY16 - Individual Housing Rehabilitation.....	44,000.00	-	(40,198.10)		3,801.90
FY16 - Code Enforcement.....	40,000.00	-	(40,000.00)		-
FY16 - Library Transit Shelter.....	6,951.00	-	-		6,951.00
FY16 - Due Middlesex County.....	(90,951.00)	-	-		(90,951.00)
FY16 - Individual Housing Rehabilitation.....	50,951.00	-	(8,504.39)		42,446.61
FY16 - Code Enforcement.....	40,000.00	-	-		40,000.00
FY16 - Due Middlesex County.....	(90,951.00)	-	-		(90,951.00)
Third Party UCC Inspections.....	53,619.65	76,788.00	(59,287.40)		71,120.25
<b>Total - All Trust Funds.....</b>	<b>\$ 4,649,786.37</b>	<b>\$ 27,888,360.28</b>	<b>\$ (27,565,749.40)</b>	<b>\$ 3.00</b>	<b>\$ 4,972,400.25</b>
<b>Ref</b>	<b>B</b>				<b>B</b>

TRUST FUND  
SCHEDULE OF PAYROLL LIABILITIES

	Balance June 30, 2015	Receipts	Cash..... Disbursements	Balance June 30, 2016
Miscellaneous.....	\$ 17,732.54	\$ 0.12	\$ (555.90)	\$ 17,176.76
Federal and State Taxes				
Federal Withholding.....	-	2,635,635.47	(2,635,635.47)	-
Social Security/Medicare.....	540.92	2,680,891.96	(2,681,249.22)	183.66
NJ State Withholding.....	37.75	788,730.90	(788,730.90)	37.75
NJ Unemployment.....	-	40,280.18	(40,278.71)	1.47
PA State Withholding.....	0.12	-	(0.12)	-
Pension				
Police & Fire Pension.....	(89.41)	1,196,853.78	(1,196,762.64)	-
Public Employees Pension.....	2,098.09	698,071.54	(698,004.77)	1.73
Deferred Compensation (IRS 457).....	0.01	492,276.34	(492,276.34)	2,164.86
Garnishments - Wage Attachments.....	-	63,522.10	(63,522.10)	0.01
Union Dues.....	-	84,806.97	(84,806.97)	-
Employee Medical Premium Cost Sharing.....	-	1,024,342.15	(1,024,342.15)	-
Life & Disability Insurance.....	-	82,000.65	(82,000.65)	-
Flexible Spending Plan.....	-	86,446.36	(86,446.36)	-
Net Pay.....	-	12,289,276.35	(12,289,276.35)	-
Total - Payroll Liabilities.....	2,587.48	22,163,134.75	(22,163,332.75)	2,389.48
Total - Payroll Trust Fund.....	\$ 20,320.02	\$ 22,163,134.87	\$ (22,163,888.65)	\$ 19,566.24
	B, B-2	B-2	B-2	B, B-2



**General Capital Fund**

GENERAL CAPITAL FUND  
SCHEDULE OF CASH AND INVESTMENTS

Exhibit C-2

	<u>Ref.</u>		
Balance June 30, 2015.....	C		\$ 6,257,165.84
Increased by Receipts:			
Capital Improvement Fund.....	C-9	331,000.00	
Deferred Charges, Unfunded			
Retire Notes.....	C-5	49,795.00	
Proceeds from Issuing Debt			
Sale of Bond Anticipation Notes.....	C-8	4,971,437.00	
Bond Issue.....	C-7	15,000,000.00	
Premium on Sale of Notes.....	C-1	377,347.50	
Reserve to Retire Debt -			
Interest Earned + Squibb Settlement- Soil Remediation....	C-10	10,224.89	
Squibb settlement.....	C-12	<u>2,400,000.00</u>	
Total Receipts.....			23,139,804.39
Decreased by Disbursements:			
Redemption of Bond Anticipation Notes.....	C-8	(15,201,437.00)	
Improvement Authorizations.....	C-6	(8,683,637.08)	
Surplus Anticipated in Current Fund.....	C-1	(200,000.00)	
Reserve to Retire Debt -			
Current Fund Revenue.....	C-10	<u>(4,804,721.30)</u>	
Total Disbursements.....			<u>(28,889,795.38)</u>
Balance June 30, 2016.....	C		<u><u>\$ 507,174.85</u></u>

Analysis of Cash Balance

Soil Remediation Account.....	\$ 997,711.16
General Account.....	(490,536.31)
Total Cash.....	<u><u>\$ 507,174.85</u></u>

GENERAL CAPITAL  
SCHEDULE OF ANALYSIS OF CASH

Ord.	Description	Ref	Deferred Charges	Ordinance Balance	Reserve for Encumbrances	Notes Outstanding	Other	Cash Balance
00-27	Acquisition of Lands.....	\$	(450,000.00)	\$ 1,412,580.47	\$ 40,243.70	\$ -		\$ 1,002,824.17
02-38	Various Capital Improvements.....	-	-	2,000.00	431.10	-		2,431.10
03-30	Various Capital Improvements.....	-	-	-	284.20	-		284.20
04-05	High School/Vets Park Soil Remediation..	-	-	0.14	481,156.17	-	551,201.96	1,032,358.27
04-26	Otken Farm Improvements.....	-	-	-	682.25	-		682.25
06-15	Various Capital Improvements.....	-	-	184.84	2,074.95	-		2,259.79
07-22	Various Capital Improvements.....	-	-	1,158.93	18,460.76	-		19,619.69
08-23	Various Capital Improvements.....	-	-	-	63,330.21	-		63,330.21
09-16	Various Capital Improvements.....	-	-	6,227.74	101,111.80	-		107,339.54
09-22	Acquisition of Pulda Farm.....	(10,085,445.00)	-	-	-	10,085,445.00		-
10-06	Capital Items.....	-	-	142,524.15	76,126.75	-		218,650.90
10-23	Various Capital Improvements.....	-	-	76.75	-	-		76.75
11-16	Various Capital Improvements.....	(2,327,693.00)	-	4,060.01	90,480.61	2,327,693.00		94,540.62
12-13	Various Capital Improvements.....	(2,965,425.00)	-	38,802.74	10,034.52	2,965,425.00		48,837.26
13-14	Various Capital Improvements.....	(2,850,000.00)	-	54,630.52	13,972.48	2,850,000.00		68,603.00
14-10	Various Capital Improvements.....	(7,362,500.00)	-	255,226.21	1,000,040.11	4,971,437.00		(1,135,796.68)
15-14	Various Capital Improvements.....	(6,289,000.00)	-	1,308,438.52	3,331,740.61	-		(1,648,820.87)

GENERAL CAPITAL  
SCHEDULE OF ANALYSIS OF CASH

Ord.	Description	Ref	Deferred Charges	Ordinance Balance	Reserve for Encumbrances	Notes Outstanding	Other	Cash Balance
	Capital Improvement Fund.....	C-10			-		342.00	342.00
	Reserve to Retire Debt.....	C-10			-		145,111.32	145,111.32
	Fund Balance.....	C-1			-		484,501.33	484,501.33
Total.....			\$ (32,330,063.00)	\$ 3,225,911.02	\$ 5,230,170.22	\$ 23,200,000.00	\$ 1,181,156.61	\$ 507,174.85
		<u>Ref.</u>	C, C-5	C, C-6	C, C-6	C, C-8	C, C-1, C-10	C, C-2

GENERAL CAPITAL  
SCHEDULE OF DEFERRED CHARGES - FUNDED

	Total Funded Deferred Charges	Serial Bonds
Balance - June 30, 2015.....	\$ 35,837,750.00	\$ 35,837,750.00
Serial Bonds/Loans paid from Budget Appropriation.....	(4,112,000.00)	(4,112,000.00)
Bond Issue.....	<u>15,000,000.00</u>	<u>15,000,000.00</u>
Balance - June 30, 2016.....	<u>\$ 46,725,750.00</u>	<u>\$ 46,725,750.00</u>
<u>Ref.</u>	<u>C</u>	<u>C-7</u>

GENERAL CAPITAL  
SCHEDULE OF DEFERRED CHARGES - UNFUNDED

Ord.	Description	Balance June 30, 2015	Authorizations	Reduced	Balance June 30, 2016	Financed by Bond Anticipation Notes	Cash Expended (Deficit)	Unfunded Balance of Improvement Authorization
00-27	Acquisition of Lands.....	\$ 3,530,000.00		\$ (3,080,000.00)	\$ 450,000.00	-	-	\$ (450,000.00)
04-05	High School/Vets Park - Soil Remediation.....	4,408,938.00		(4,408,938.00)	-	-	-	-
09-16	Various Capital Improvements.....	3,238,550.00		(3,238,550.00)	-	-	-	-
09-22	Acquisition of Pulda Farm.....	10,237,087.00		(151,642.00)	10,085,445.00	(10,085,445.00)	-	-
10-06	Capital Items.....	475,000.00		(475,000.00)	-	-	-	-
10-23	Various Capital Improvements.....	2,850,000.00		(2,850,000.00)	-	-	-	-
11-16	Various Capital Improvements.....	3,325,000.00		(997,307.00)	2,327,693.00	(2,327,693.00)	-	-
12-13	Various Capital Improvements.....	2,965,425.00		-	2,965,425.00	(2,965,425.00)	-	-
13-14	Various Capital Improvements.....	2,850,000.00		-	2,850,000.00	(2,850,000.00)	-	-
14-10	Various Capital Improvements.....	7,362,500.00		-	7,362,500.00	(4,971,437.00)	(2,135,836.79)	(255,226.21)
15-14	Various Capital Improvements.....	-	6,289,000.00	-	6,289,000.00	-	(4,980,561.48)	(1,308,438.52)
	Total.....	\$ 41,242,500.00	\$ 6,289,000.00	\$ (15,201,437.00)	\$ 32,330,063.00	\$ (23,200,000.00)	\$ (7,116,398.27)	\$ (2,013,664.73)
	Ref	C	C-6	C	C-8			
Current Fund Appropriation								
	Debt Service.....		C-4	\$ 15,000,000.00				
	BAN's Principal.....		C-2	49,795.00				
	Reserve to Retire Debt.....		C-10	151,642.00				
	Total.....			\$ 15,201,437.00				

GENERAL CAPITAL  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord.	Description	June 30, 2015 Funded	June 30, 2015 Unfunded	Authorized	Encumbrance June 30, 2015	Paid or Charged	Adjustment	Encumbrance June 30, 2016	June 30, 2016 Funded	June 30, 2016 Unfunded
00-27	Acquisition of Land.....	\$ -	\$ 1,828,900.95		\$ 42,521.97	\$ (418,598.75)		\$ (40,243.70)	\$ 962,580.47	\$ 450,000.00
02-38	Various Capital Improvements.....	2,000.00	-		12,602.44	(12,171.34)		(431.10)	2,000.00	-
03-30	Various Capital Improvements.....	-	-		284.20	-		(284.20)	-	-
04-05	High School / Vets Park Soil Remediation.....	-	141,416.93		1,463,276.93	(1,123,537.55)		(481,156.17)	0.14	-
04-26	Otken Farm Improvements.....	-	-		90,821.26	(90,139.01)		(682.25)	-	-
04-28	Various Capital Improvements...	-	-		84,204.16	(84,204.16)		-	-	-
06-15	Various Capital Improvements...	-	7,224.84		6,651.25	(11,616.30)		-	-	-
07-22	Various Capital Improvements...	-	-		19,619.69	-		(2,074.95)	184.84	-
08-23	Various Capital Improvements...	-	-		127,909.13	(64,578.92)		(18,460.76)	1,158.93	-
09-16	Various Capital Improvements...	-	6,213.84		101,125.70	-		(63,330.21)	-	-
10-06	Capital Items.....	-	197,677.51		83,051.75	(62,078.36)		(101,111.80)	6,227.74	-
10-23	Capital Improvement.....	-	-		76.75	-		(76,126.75)	142,524.15	-
11-16	Various Capital Improvements...	-	22,251.70		91,654.73	(19,365.81)		-	76.75	-
12-13	Various Capital Improvements...	-	115,781.66		28,922.46	(95,866.86)		(90,480.61)	-	4,060.01
13-14	Various Capital Improvements...	-	73,268.18		6,798.97	(11,464.15)		(10,034.52)	-	38,802.74
14-10	Various Capital Improvements...	-	975,513.48		4,989,947.84	(4,710,195.00)		(13,972.48)	-	54,630.52
15-14	Various Capital Improvements...	-	-	6,620,000.00	-	(1,979,820.87)		(1,000,040.11)	-	255,226.21
	Total.....	\$ 2,000.00	\$ 3,368,249.09	\$ 6,620,000.00	\$ 7,149,469.23	\$ (8,683,637.08)	\$ -	\$ (5,230,170.22)	\$ 1,114,753.02	\$ 2,111,158.00
		C	C	C	C	C-2	C-5	C	C	C
	Ref.									
	Capital Improvement Fund.....		Ref.							
	Deferred Chgs Unfunded.....		C-9	\$ 331,000.00						
	Total.....		C-5	6,289,000.00						
				\$ 6,620,000.00						

GENERAL CAPITAL  
SCHEDULE OF SERIAL BONDS PAYABLE

Purpose	Issue Date	Original Issue	Outstanding Maturities - 06/30/16 Amount	Rate	June 30, 2015	Bonds Issued	Budget Appropriation	June 30, 2016
General Obligation Bonds.....	08/20/07	5,500,000	08/15/16	450,000	4.250%	885,000.00	(435,000.00)	450,000.00
General Obligation.....	08/14/09	7,811,435	08/15/16	584,000	2.375%			
			08/15/17	604,000	3.000%			
			08/15/18	627,000	3.000%			
			08/15/19	654,000	4.000%			
			08/15/20	681,000	4.000%			
			08/15/21	709,000	4.000%			
			08/15/22	739,435	4.000%	5,677,435.00	(1,079,000.00)	4,598,435.00
Open Space.....	08/14/09	8,045,565	08/15/16	129,000	2.375%			
			08/15/17	133,000	3.000%			
			08/15/18	138,000	3.000%			
			08/15/19	145,000	4.000%			
			08/15/20	151,000	4.000%			
			08/15/21	156,000	4.000%			
			08/15/22	163,565	4.000%			
			08/15/23	774,000	4.000%			
			08/15/24	809,000	4.000%			
			08/15/25	852,000	4.000%			
			08/15/26	898,000	4.000%			
			08/15/27	945,000	4.000%			
			08/15/28	995,000	4.000%			
			08/15/29	1,048,000	4.000%	7,574,565.00	(238,000.00)	7,336,565.00
General Obligation.....	08/08/12	13,455,750	08/01/16	920,000	2.000%			
			08/01/17	850,000	2.000%			
			08/01/18	1,035,000	2.000%			
			08/01/19	1,060,000	2.000%			
			08/01/20	635,000	2.000%			
			08/01/21	690,000	2.000%			
			08/01/22	925,000	2.000%			
			08/01/23	920,000	2.125%			
			08/01/24	1,000,000	2.125%			
			08/01/25	1,000,000	2.250%			
			08/01/26	1,030,000	2.375%			
			08/01/27	895,750	2.500%	11,865,750.00	(905,000.00)	10,960,750.00



GENERAL CAPITAL  
SCHEDULE OF SERIAL BONDS PAYABLE

Purpose	Issue Date	Original Issue	Outstanding Maturities - 06/30/16 Amount	Rate	June 30, 2015	Bonds Issued	Budget Appropriation	June 30, 2016
General Obligation Refunding .... 09/12/12		2,275,000	08/15/16 08/15/17	565,000 560,000	3.000% 4.000%			
					1,695,000.00		(570,000.00)	1,125,000.00
Open Space Refunding ..... 09/12/12		2,960,000	08/15/16 08/15/17 08/15/18 08/15/19 08/15/20 08/15/21 08/15/22 08/15/23 08/15/24 08/15/25 08/15/26 08/15/27 08/15/28	200,000 200,000 200,000 200,000 200,000 200,000 200,000 200,000 195,000 195,000 190,000 185,000 185,000	3.000% 4.000% 4.000% 4.000% 4.000% 4.000% 3.000% 3.000% 3.000% 2.500% 3.000% 2.750% 2.750%			
					2,755,000.00		(205,000.00)	2,550,000.00
General Obligation Refunding... 06/02/15		4,745,000.00	08/15/16 08/15/17 08/15/18 08/15/19 08/15/20 08/15/21 08/15/22	325,000 785,000 775,000 785,000 790,000 790,000 455,000	3.000% 4.000% 4.000% 5.000% 2.000% 2.500% 2.000%			
					4,745,000.00		(40,000.00)	4,705,000.00

GENERAL CAPITAL  
SCHEDULE OF SERIAL BONDS PAYABLE

Purpose	Issue Date	Original Issue	Outstanding Maturities - 06/30/16	Rate	June 30, 2015	Bonds Issued	Budget Appropriation	June 30, 2016
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General Obligation Bonds.....	07/30/15	15,000,000.00	07/15/16	500,000	2.750%			
			07/15/17	500,000	2.750%			
			07/15/18	800,000	2.750%			
			07/15/19	775,000	2.750%			
			07/15/20	750,000	2.750%			
			07/15/21	550,000	3.000%			
			07/15/22	550,000	3.000%			
			07/15/23	550,000	3.000%			
			07/15/24	600,000	3.000%			
			07/15/25	500,000	3.000%			
			07/15/26	500,000	3.000%			
			07/15/27	500,000	3.000%			
			07/15/28	1,000,000	3.000%			
			07/15/29	1,000,000	3.000%			
			07/15/30	1,000,000	3.130%			
			07/15/31	1,000,000	3.130%			
			07/15/32	925,000	3.250%			
			07/15/33	1,000,000	3.250%			
			07/15/34	1,000,000	3.380%			
			07/15/35	1,000,000	3.500%	15,000,000.00		15,000,000.00
<hr/>								
Total.....								
				Ref.	C	C-5	C-4	C
					\$ 35,837,750.00	\$ 15,000,000.00	\$ (4,112,000.00)	\$ 46,725,750.00
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GENERAL CAPITAL  
SCHEDULE OF BOND ANTICIPATION NOTES

Ord.	Description	Outstanding Maturities		Notes Outstanding June 30, 2015	New Financing	BAN's Not Re-issued	Notes Outstanding June 30, 2016
		Interest Rate	Issue Date				
00-27	Land Acquisition.....	2.00%	7/30/15	7/29/16	\$	-	\$
04-05	High School / Vets Park Soil Remediation.....	2.00%	7/30/15	7/29/16		(3,080,000.00)	-
09-16	Various Capital Improvements	2.00%	7/30/15	7/29/16		(4,408,938.00)	-
09-22	Land Acquisition	2.00%	7/30/15	7/29/16		(3,238,550.00)	-
10-06	Various Capital Items	2.00%	7/30/15	7/29/16		(151,642.00)	10,085,445.00
10-23	Various Capital Improvements	2.00%	7/30/15	7/29/16		(475,000.00)	-
11-16	Various Capital Improvements	2.00%	7/30/15	7/29/16		(2,850,000.00)	-
12-13	Various Capital Improvements	2.00%	7/30/15	7/29/16		(997,307.00)	2,327,693.00
13-14	Various Capital Improvements	2.00%	7/30/15	7/29/16		-	2,965,425.00
14-10	Various Capital Improvements	2.00%	7/30/15	7/29/16		-	2,850,000.00
	Total.....		7/30/15	7/29/16		4,971,437.00	4,971,437.00
					\$	4,971,437.00	\$
					\$	(15,201,437.00)	\$ 23,200,000.00
						C-2	C

GENERAL CAPITAL  
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance June 30, 2015.....	C	\$ 342.00
Increased by Receipts:		
Current Fund Budget Appropriation.....	C-2	331,000.00
Appropriated to Fund Improvement Authorizations.....	C-6	(331,000.00)
Balance June 30, 2016.....	C	<u><u>\$ 342.00</u></u>

## GENERAL CAPITAL FUND

## SCHEDULE OF GENERAL CAPITAL FUND RESERVE TO RETIRE DEBT

	Ordinance Number	Balance June 30, 2015	Increases Cash Receipts	Decreases	Balance June 30, 2016
<b>Reserve to Retire Debt</b>					
High School/Vets Park Soil Remediation.....	2004-05	\$ 2,945,698.37	\$ 2,410,224.89	\$ (4,804,721.30)	\$ 551,201.96
Land Acquisition.....	2000-27	246,350.32	-	(151,642.00)	94,708.32
Land Acquisition.....	2009-22	50,403.00	-	-	50,403.00
Total.....		\$ 3,242,451.69	\$ 2,410,224.89	\$ (4,956,363.30)	\$ 696,313.28
	<u>Ref.</u>	C			C
2004-05 Interest Earned - Soil Remediation.....			\$ 10,224.89	\$ -	
2004-05 Squibb Settlement.....			2,400,000.00	-	
2000-27 State Green Acres Grant.....			-	(151,642.00)	
2004-05 Payments made - Soil Remediation Expenses...			-	(4,804,721.30)	
Total.....			\$ 2,410,224.89	\$ (4,956,363.30)	
			C-2	C-2, C-5	

GENERAL CAPITAL FUND  
SCHEDULE OF BONDS & NOTES AUTHORIZED BUT NOT ISSUED

Ord.	Description	Balance June 30, 2015	FY 2016 Authorizations	Notes Issued	Balance June 30, 2016
2000-27	Acquisition of Lands.....	\$ 450,000.00	\$ -	-	\$ 450,000.00
2014-10	Various Capital Improvements.....	7,362,500.00	-	(4,971,437.00)	2,391,063.00
2015-14	Various Capital Improvements.....	-	6,289,000.00	-	6,289,000.00
Total.....		\$ 7,812,500.00	\$ 6,289,000.00	\$ (4,971,437.00)	\$ 9,130,063.00
<u>Ref.</u>		C		C	

**Water Utility Fund**

WATER UTILITY OPERATING AND CAPITAL FUNDS  
SCHEDULE OF CASH

	<u>Ref.</u>	Operating	Capital	Assessment
Cash Balance June 30, 2015	D	\$ 2,232,732.73	\$ 802,004.29	\$ 432,089.24
Increased by Cash Receipts				
Premium on BAN Sale.....	D-2		32,530.00	
Revenues Collected.....	D-4	7,365,868.89		
Collector.....	D-19			160,614.10
Bond Anticipation Notes.....	D-14		2,000,000.00	
Bond Issued.....	D-12		1,993,670.00	
Total Cash Receipts.....		7,365,868.89	4,026,200.00	160,614.10
Decreased by Disbursements				
Bond Anticipation Notes.....	D-14		(2,493,670.00)	
Surplus to Water Operating.....	D-2		(50,000.00)	
Appropriation Reserves.....	D-10	(214,005.13)		
Budget Appropriations.....	D-5	(6,355,571.00)		
Assessment Serial Bonds.....	D-21			(95,000.00)
Assessment Trust Fund Surplus to Operating Budget..	D-3			(97,175.00)
Improvement Authorizations.....	D-11		(1,433,542.18)	
Total Cash Disbursements.....		(6,569,576.13)	(3,977,212.18)	(192,175.00)
Cash Balance June 30, 2016.....	D	\$ 3,029,025.49	\$ 850,992.11	\$ 400,528.34



WATER CAPITAL UTILITY FUND  
ANALYSIS OF CASH BALANCE

	Deferred Charges	Improvement Authorizations	Reserve for Encumbrances	Other	Balance June 30, 2016
<u>Improvement Authorizations</u>					
05-16 Water Distribution System.....	\$ -	\$ 12.00	\$ -	\$ -	\$ 12.00
07-20 Water Treatment Plant.....	(360,502.00)	496,546.00	105,000.00	-	241,044.00
08-22 Water Distribution System.....	-	-	1,780.00	-	1,780.00
12-14 Water Distribution System.....	-	44.48	234,963.82	-	235,008.30
13-15 Water Distribution System.....	-	-	157,837.46	-	157,837.46
15-16 Water Distribution System.....	(2,000,000.00)	1,775,213.05	217,548.95	-	(7,238.00)
Capital Improvement Fund.....				89,067.59	89,067.59
Fund Balance.....				133,480.76	133,480.76
Total.....	\$ (2,360,502.00)	\$ 2,271,815.53	\$ 717,130.23	\$ 222,548.35	\$ 850,992.11
		D, D-11	D, D-11	D	D

WATER UTILITY CAPITAL FUND  
SCHEDULE OF FIXED CAPITAL

Exhibit D-8

Balance - June 30, 2015.....	<u>Ref.</u>	
	D	\$ 30,065,994.03
Increased by -		
Transfer from Fixed Capital Authorized and Not Completed	D-9	<u>28,476,093.08</u>
Balance - June 30, 2016.....	D	<u><u>58,542,087.11</u></u>

WATER UTILITY CAPITAL FUND  
SCHEDULE OF FIXED CAPITAL AUTHORIZED BUT NOT COMPLETED

Exhibit D-9

Ord.	Improvement Description	Balance June 30, 2015	Authorized 2016	Transferred to Fixed Capital	Balance June 30, 2016
03-31	Water Distribution System.....	\$ 222,695.56		\$ (222,695.56)	\$ -
05-16	Water Distribution System.....	2,000,000.00		(1,999,988.00)	12.00
06-16	Water Distribution System.....	1,500,000.00		(1,500,000.00)	-
07-20	Water Treatment Plant.....	19,000,000.00		(18,503,454.00)	496,546.00
07-24	Water Distribution System.....	2,150,000.00		(2,150,000.00)	-
08-22	Water Distribution System.....	1,000,000.00		(1,000,000.00)	-
07-24/11-04	Water Distribution System.....	100,000.00		(100,000.00)	-
11-18	Water Distribution System.....	1,000,000.00		(1,000,000.00)	-
12-14	Water Distribution System.....	1,000,000.00		(999,955.52)	44.48
13-15	Water Distribution System.....	1,000,000.00		(1,000,000.00)	-
15-16	Water Distribution System.....	-	2,000,000.00	-	2,000,000.00
Total.....		<u>\$ 3,000,000.00</u>	<u>\$ 2,000,000.00</u>	<u>\$ (28,476,093.08)</u>	<u>\$ 2,496,602.48</u>
	Ref.	D	D-11	D-8	D, D-11

WATER UTILITY OPERATING FUND  
SCHEDULE OF SFY 2015 APPROPRIATION RESERVES/ACCOUNTS PAYABLE

	June 30, 2015	June 30, 2015 Encumbrances	Paid or Charged	Lapsed
Operating - S & W.....	\$ 6,811.94	\$ -	\$ -	\$ 6,811.94
Operating - Other Expenses.....	121,292.75	127,009.63	(226,868.28)	21,434.10
Total Water Utility Operating.....	\$ 128,104.69	\$ 127,009.63	\$ (226,868.28)	\$ 28,246.04
<u>Ref.</u>	D	D		D-1

Cash Disbursements.....	<u>Ref.</u>	
June 30, 2016 Accounts Payable.....	D-6	\$ (214,005.13)
	D-10	<u>12,863.15</u>
Total Paid or Charged.....		<u>\$ (226,868.28)</u>

Accounts Payable Analysis

Balance June 30, 2015.....	D	\$ -
Transfer from Appropriation Reserves.....	D-10	<u>12,863.15</u>
Balance June 30, 2016.....	D	<u>\$ 12,863.15</u>

WATER UTILITY CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord.	Original Appropriation	Description	June 30, 2015 Funded	June 30, 2015 Unfunded	SFY 2016 Authorizations	Encumbrances June 30, 2015	Paid or Charged	Encumbrances June 30, 2016	June 30, 2016 Funded	June 30, 2016 Unfunded
05-16	\$ 2,000,000	Water Distribution System...	\$ -	\$ -	\$ -	12.00	\$ -	\$ -	12.00	\$ -
07-20	19,000,000	Water Treatment Plant.....	-	596,546.00	-	5,000.00	-	(105,000.00)	136,044.00	360,502.00
08-22	1,000,000	Water Distribution System...	-	4,800.27	-	1,780.00	(4,800.27)	(1,780.00)	-	-
07-24/11-04	100,000	Water Distribution System...	-	-	-	1,735.14	(1,735.14)	-	-	-
11-18	1,000,000	Water Distribution System...	-	-	-	455,206.56	(455,206.56)	-	-	-
12-14	1,000,000	Water Distribution System...	-	-	-	367,757.97	(132,749.67)	(234,963.82)	-	44.48
13-15	1,000,000	Water Distribution System...	-	39,344.60	-	950,305	(831,812.54)	(157,837.46)	-	-
15-16	2,000,000	Water Distribution System...	-	-	2,000,000.00	-	(7,238.00)	(217,548.95)	-	1,775,213.05
	<u>\$ 27,100,000</u>	<u>Total.....</u>	<u>\$ -</u>	<u>\$ 640,690.87</u>	<u>\$ 2,000,000.00</u>	<u>\$ 1,781,797.07</u>	<u>\$ (1,433,542.18)</u>	<u>\$ (717,130.23)</u>	<u>\$ 136,056.00</u>	<u>\$ 2,135,759.53</u>
		<u>Ref.</u>	<u>D</u>	<u>D</u>	<u>D-9</u>	<u>D</u>	<u>D-6</u>	<u>D</u>	<u>D</u>	<u>D</u>

WATER UTILITY CAPITAL FUND  
SCHEDULE OF SERIAL BONDS PAYABLE

Purpose	Issue Date	Original Issue	.....OUTSTANDING MATURITIES.....			.....INTEREST EXPENSE.....					FY Budget Appropriation Interest
			Date	June 30, 2015 Principal	Rate	Interest Cash Payments	.....Accrued Interest.... Beginning	Ending			
Ordinance 96-21.....	04/01/99	\$ 2,020,000	4/1/17	\$ 125,000	4.900%	\$ 20,090.00	\$ (5,023.00)	\$ 3,491.00	\$ 18,558.00		
			4/1/18	135,000	4.900%	13,965.00	(3,491.00)	1,838.00	12,312.00		
			4/1/19	150,000	4.900%	7,350.00	(1,838.00)		5,512.00		
Ordinance 5-16/6-16.....	08/14/09	2,000,000	8/14/16	32,000	2.375%	71,380.00	(26,910.00)	26,625.00	71,095.00		
			8/14/17	33,000	3.000%	70,505.00	(26,625.00)	26,254.00	70,134.00		
			8/14/18	35,000	3.000%	69,485.00	(26,254.00)	25,860.00	69,091.00		
			8/14/19	36,000	4.000%	68,240.00	(25,860.00)	25,320.00	67,700.00		
			8/14/20	37,000	4.000%	66,780.00	(25,320.00)	24,765.00	66,225.00		
			8/14/21	39,000	4.000%	65,260.00	(24,765.00)	24,180.00	64,675.00		
			8/14/22	41,000	4.000%	63,660.00	(24,180.00)	23,565.00	63,045.00		
			8/14/23	192,000	4.000%	59,000.00	(23,565.00)	20,685.00	56,120.00		
			8/14/24	201,000	4.000%	51,140.00	(20,685.00)	17,670.00	48,125.00		
			8/14/25	211,000	4.000%	42,900.00	(17,670.00)	14,505.00	39,735.00		
			8/14/26	224,000	4.000%	34,200.00	(14,505.00)	11,145.00	30,840.00		
8/14/27	235,000	4.000%	25,020.00	(11,145.00)	7,620.00	21,495.00					
8/14/28	248,000	4.000%	15,360.00	(7,620.00)	3,900.00	11,640.00					
8/14/29	260,000	4.000%	5,200.00	(3,900.00)		1,300.00					
2011 Refunding Bond.....	12/22/11	10,252,500	4/1/17	955,000	3.000%	277,675.00	(73,000.00)	65,837.50	270,512.50		
			4/1/18	987,500	3.000%	248,537.50	(65,837.50)	58,431.25	241,131.25		
			4/1/19	1,015,000	3.000%	218,500.00	(58,431.25)	50,818.50	210,887.25		
			4/1/20	1,052,500	4.000%	182,225.00	(50,818.50)	40,293.75	171,700.25		
			4/1/21	1,095,000	4.000%	139,275.00	(40,293.75)	29,343.75	128,325.00		
			4/1/22	1,145,000	5.000%	88,750.00	(29,343.75)	15,031.25	74,437.50		
4/1/23	1,202,500	5.000%	30,062.50	(15,031.25)		15,031.25					

WATER UTILITY CAPITAL FUND  
SCHEDULE OF SERIAL BONDS PAYABLE

.....OUTSTANDING MATURITIES.....					.....INTEREST EXPENSE.....					FY Budget
Purpose	Issue Date	Original Issue	Date	June 30, 2015 Principal	Rate	Interest Cash Payments	.....Accrued Interest..... Beginning	Ending	Appropriation Interest	
2012 Improvement Bond... Ordinance 5-16/6-16	08/08/12	1,500,000	8/1/16	65,000	2.000%	30,200.00	(12,854.17)	12,312.50	29,658.33	
			8/1/17	65,000	2.000%	28,900.00	(12,312.50)	11,770.83	28,358.33	
			8/1/18	65,000	2.000%	27,600.00	(11,770.83)	11,229.17	27,058.33	
			8/1/19	70,000	2.000%	26,250.00	(11,229.17)	10,645.83	25,666.67	
			8/1/20	70,000	2.000%	24,850.00	(10,645.83)	10,062.50	24,266.67	
			8/1/21	70,000	2.000%	23,450.00	(10,062.50)	9,479.17	22,866.67	
			8/1/22	70,000	2.000%	22,050.00	(9,479.17)	8,895.83	21,466.67	
			8/1/23	75,000	2.125%	20,553.13	(8,895.83)	8,231.78	19,889.07	
			8/1/24	75,000	2.125%	18,959.38	(8,231.78)	7,567.69	18,295.30	
			8/1/25	75,000	2.250%	17,318.75	(7,567.69)	6,864.58	16,615.64	
			8/1/26	80,000	2.375%	15,525.00	(6,864.58)	6,072.92	14,733.33	
			8/1/27	80,000	2.500%	13,575.00	(6,072.92)	5,239.58	12,741.67	
			8/1/28	85,000	2.500%	11,512.50	(5,239.58)	4,354.17	10,627.08	
Refunding Bonds.....	06/02/15	1,275,000.00	8/1/29	90,000	2.625%	9,268.75	(4,354.17)	3,369.79	8,284.38	
			8/1/30	90,000	2.750%	6,850.00	(3,369.79)	2,338.54	5,818.75	
			8/1/31	95,000	2.750%	4,306.25	(2,338.54)	1,250.00	3,217.71	
			8/1/32	100,000	3.000%	1,500.00	(1,250.00)		250.00	
			8/15/16	100,000	3.00%	44,062.50	(17,085.94)	15,960.94	42,937.50	
			8/15/17	100,000	4.00%	40,562.50	(15,960.94)	14,460.94	39,062.50	
			8/15/18	105,000	4.00%	36,462.50	(14,460.94)	12,885.94	34,887.50	
			8/15/19	115,000	5.00%	31,487.50	(12,885.94)	10,729.69	29,331.25	
			8/15/20	115,000	5.00%	25,737.50	(10,729.69)	8,573.44	23,581.25	
			8/15/21	120,000	2.00%	21,362.50	(8,573.44)	7,448.44	20,237.50	
			8/15/22	120,000	2.00%	18,662.50	(7,448.44)	6,548.44	17,762.50	
			8/15/23	125,000	2.25%	16,056.25	(6,548.44)	5,493.75	15,001.56	
			8/15/24	120,000	4.00%	12,250.00	(5,493.75)	3,693.75	10,450.00	
8/15/25	125,000	5.00%	6,725.00	(3,693.75)	1,350.00	4,381.25				
8/15/26	120,000	3.00%	1,800.00	(1,350.00)		450.00				

WATER UTILITY CAPITAL FUND  
SCHEDULE OF SERIAL BONDS PAYABLE

Purpose	Issue Date	Original Issue	.....OUTSTANDING MATURITIES.....			.....INTEREST EXPENSE.....					FY Budget Appropriation Interest
			Date	June 30, 2015 Principal	Rate	Interest Cash Payments	.....Accrued Interest..... Beginning	Ending			
2015 Bonds.....	07/30/15	1,993,670.00	7/15/16	70,000	2.75%	59,922.20	(27,905.49)	22,109.89	54,126.60		
			7/15/17	80,000	2.75%	57,859.70	(22,109.89)	21,284.89	57,034.70		
			7/15/18	80,000	2.75%	55,659.70	(21,284.89)	20,459.89	54,834.70		
			7/15/19	80,000	2.75%	53,459.70	(20,459.89)	19,634.89	52,634.70		
			7/15/20	80,000	2.75%	51,259.70	(19,634.89)	18,809.89	50,434.70		
			7/15/21	85,000	3.00%	48,884.70	(18,809.89)	17,853.64	47,928.45		
			7/15/22	90,000	3.00%	46,259.70	(17,853.64)	16,841.14	45,247.20		
			7/15/23	90,000	3.00%	43,559.70	(16,841.14)	15,828.64	42,547.20		
			7/15/24	95,000	3.00%	40,784.70	(15,828.64)	14,759.89	39,715.95		
			7/15/25	95,000	3.00%	37,934.70	(14,759.89)	13,691.14	36,865.95		
			7/15/26	100,000	3.00%	35,009.70	(13,691.14)	12,566.14	33,884.70		
			7/15/27	100,000	3.00%	32,009.70	(12,566.14)	11,441.14	30,884.70		
			7/15/28	105,000	3.00%	28,934.70	(11,441.14)	10,259.89	27,753.45		
			7/15/29	110,000	3.00%	25,709.70	(10,259.89)	9,022.39	24,472.20		
			7/15/30	110,000	3.125%	22,340.95	(9,022.39)	7,733.33	21,051.89		
			7/15/31	115,000	3.125%	18,825.33	(7,733.33)	6,385.67	17,477.68		
			7/15/32	120,000	3.250%	15,078.46	(6,385.67)	4,923.17	13,615.96		
		7/15/33	125,000	3.250%	11,097.21	(4,923.17)	3,399.74	9,573.77			
		7/15/34	130,000	3.375%	6,872.21	(3,399.74)	1,754.42	5,226.90			
			133,670	3.500%	2,339.23	(1,754.42)		584.81			

	Ref.
June 30, 2015 Balance.....	D \$ 13,553,000.00
Serial Bonds Issued	\$ 1,993,670.00
Principal Payments.....	D-5,D-16 \$ (1,281,500.00)
June 30, 2016 Balance.....	D \$ 14,265,170.00

WATER UTILITY OPERATING AND CAPITAL FUNDS  
SCHEDULE OF ACCRUED INTEREST ON BONDS & NOTES

	Ref.	Total Accrued Interest	Bond Anticipation Notes	Serial Bonds	Belcourt Assessment	Environmental Infrastructure Trust
Accrued Interest June 30, 2015.....	D	\$ (341,470.52)	\$ (22,650.84)	\$ (134,286.34)	\$ (37,153.13)	\$ (147,380.21)
Cash Payments - SFY 2016.....		902,818.24	24,867.43	512,329.91	97,175.00	268,445.90
Accrued Interest June 30, 2016.....	D	373,180.92	36,564.82	162,778.59	35,728.13	138,109.38
SFY 2016 Budget Expense.....		\$ 934,528.64	\$ 38,781.41	\$ 540,822.16	\$ 95,750.00	\$ 259,175.07



WATER UTILITY CAPITAL FUND  
SCHEDULE OF BOND ANTICIPATION NOTES

Ord.	Description	Outstanding Maturities 06/30/2016				Notes Outstanding June 30, 2015	Increase	Decrease	Notes Outstanding June 30, 2016
		Interest Rate	Issue Date	Maturity Date					
08-22	Water Distribution System.....	2.00%	7/30/15	7/29/16		\$ 993,670.00	\$ -	\$ (993,670.00)	\$ -
11-18	Water Distribution System.....	2.00%	7/30/15	7/29/16		1,000,000.00	-	(1,000,000.00)	-
12-14	Water Distribution System.....	2.00%	7/30/15	7/29/16		500,000.00	500,000.00	-	1,000,000.00
13-15	Water Distribution System.....	2.00%	7/30/15	7/29/16		-	1,000,000.00	-	1,000,000.00
	Total.....					\$ 2,493,670.00	\$ 1,500,000.00	\$ (1,993,670.00)	\$ 2,000,000.00
						D	D-6	D-6	D

Calculation of Accrued Interest

	7/30/15	Issued Date	7/29/16
Principal Outstanding.....	\$ 2,493,670.00	\$	2,000,000.00
Interest Rate.....	1.00%		2.00%
Accrued Interest at June 30, 2016			36,564.82
SFY 2016 Budget Expense.....	-		24,867.43
Memo - Cash Interest at July 29, 2016 Maturity.....	\$		39,888.89

SCHEDULE OF WATER LOAN PAYABLE  
NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST

OUTSTANDING MATURITIES				INTEREST EXPENSE.....					
Purpose	Drawdown Date	Original Issue	Fiscal Year	June 30, 2015	Rate	Interest Annual Cash Payments	Accrued Interest Beginning	Ending	FY Budget Appropriation Interest
				Principal 8/1 Maturities					
Trust Loan Ordinance 07-20	11/8/07	\$ 9,700,000	2017	465,000.00		309,075.00	(138,109.38)	133,625.00	304,590.63
			2018	420,000.00		286,950.00	(133,625.00)	123,937.50	277,262.50
			2019	441,000.00		265,425.00	(123,937.50)	115,187.50	256,675.00
			2020	463,000.00		242,825.00	(115,187.50)	106,000.00	233,637.50
			2021	484,000.00		219,150.00	(106,000.00)	96,354.17	209,504.17
			2022	511,000.00		194,275.00	(96,354.17)	86,270.83	184,191.66
			2023	533,000.00		168,175.00	(86,270.83)	75,625.00	157,529.17
			2024	559,000.00		140,875.00	(75,625.00)	64,520.83	129,770.83
			2025	589,000.00		112,175.00	(64,520.83)	52,875.00	100,529.17
			2026	619,000.00		81,975.00	(52,875.00)	40,604.17	69,704.17
			2027	648,000.00		50,300.00	(40,604.17)	27,708.33	37,404.16
			2028	682,000.00		17,050.00	(27,708.33)	14,208.33	3,550.00
	Trust Loan June 30, 2016 Balance.....				\$ 6,414,000.00				

SCHEDULE OF WATER LOAN PAYABLE  
NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST

Purpose	Drawdown Date	Original Issue	Fiscal Year	Annual	Rate	SEMI-ANNUAL PRINCIPAL	
						1-Aug	1-Feb
Fund Loan Ordinance 07-20	11/8/07	\$ 8,939,498	2017	500,544.17	0.00%	399,045.57	101,498.60
			2018	497,255.93	0.00%	407,507.55	89,748.38
			2019	497,176.84	0.00%	415,574.11	81,602.73
			2020	498,015.13	0.00%	423,245.25	74,769.88
			2021	496,749.79	0.00%	429,065.83	67,683.96
			2022	496,227.84	0.00%	437,796.69	58,431.15
			2023	505,143.57	0.00%	444,360.66	60,782.91
			2024	494,871.14	0.00%	453,692.56	41,178.58
			2025	493,709.43	0.00%	464,068.37	29,641.06
			2026	494,187.47	0.00%	473,510.99	20,676.48
			2027	496,811.42	0.00%	482,526.56	14,284.86
			2028	494,278.60	0.00%	494,278.60	

Fund Loan June 30, 2016 Balance..... \$ 5,964,971.33

Ref.

June 30, 2015 NJEIT Loan Balance..... D \$ 14,178,255.36  
 NJEIT Trust Loan Principal Refunding Credit..... D-16 (856,000.00)  
 Principal Payments..... D-5, D-16 (943,284.03)

June 30, 2016 NJEIT Loan Balance..... D \$ 12,378,971.33

WATER UTILITY CAPITAL FUND  
SCHEDULE OF RESERVE FOR AMORTIZATION

Balance June 30, 2015	<u>Ref.</u> D		<u>\$ 26,953,262.23</u>
Principal Payments			
Serial Bonds.....	D-5,D-12	1,281,500.00	
NJEIT Loan.....	D-5,D-15	943,284.03	
Refunding Bond - Bond Reduction	D-15	856,000.00	
Total Principal Payments.....			<u>3,080,784.03</u>
Balance June 30, 2016	D		<u>\$ 30,034,046.26</u>

WATER UTILITY CAPITAL FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND

Balance June 30, 2016 and 2015	D	<u>\$ 89,067.59</u>
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WATER ASSESSMENT FUND  
SCHEDULE OF ASSESSMENTS & LIENS RECEIVABLE

Description	Ordinance Number	Confirmation Date	Annual Installments	Due Dates	Balance 06/30/15	Collected	Balance 06/30/16	Assessment Bonds	Balance Pledged To Reserve
<u>Assessment Receivables</u>									
Prior Year Assessment Receivables									
Water Improvement - Belcourt at Hidden Lakes Condo A:07/24/11/04	10/3/11	4	12/1/11-2031	\$ 412.00	\$ -	\$ 412.00	\$ -	\$ -	\$ -
				2,473,295.82	160,614.10	2,312,681.72	1,885,000.00	427,681.72	
Total Assessments Receivable				2,473,707.82	160,614.10	2,313,093.72	1,885,000.00	427,681.72	
<u>Assessment Liens</u>									
Interest & Costs on Assessment Liens				288.00	-	288.00	-	-	-
Total Assessment Liens Receivable				288.00	-	288.00	-	-	-
Total Assessments & Assessment Liens Receivable				\$ 2,473,995.82	\$ 160,614.10	\$ 2,313,381.72	\$ 1,885,000.00	\$ 427,681.72	
	Ref	D	D-6	D	D-21	D	D-20		

STATEMENT OF RESERVES  
FOR ASSESSMENTS AND LIENS  
WATER UTILITY ASSESSMENT FUND

ORD. NO.	<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE</u>	
		<u>JUNE 30, 2015</u>	<u>JUNE 30, 2016</u>
	<u>ASSESSMENTS RECEIVABLE</u>		
	Assessment Liens.....	\$ 412.00	\$ 412.00
	Water Improvement - Belcourt at		
	Hidden Lake Condo Ass.....	493,295.82	65,614.10
			<u>427,681.72</u>
	<u>ASSESSMENT LIENS</u>		
	Assessment Liens Interest & Cost.....	<u>288.00</u>	<u>288.00</u>
		<u>\$ 493,995.82</u>	<u>\$ 65,614.10</u>
			<u>\$ 428,381.72</u>
	<u>Ref.</u>	D	D-3 D

WATER UTILITY ASSESSMENT FUND  
SCHEDULE OF ASSESSMENT SERIAL BONDS PAYABLE

Purpose	Issue Date	Original Issue	.....OUTSTANDING MATURITIES.....			.....INTEREST EXPENSE.....					FY Budget Appropriation Interest
			Date	Principal	Rate	Interest Cash Payments	.....Accrued Interest..... Beginning	Ending			
Ordinance 07-24/11-04.... Belcourt Assessment	08/10/11	\$ 2,250,000	08/15/16	95,000.00	4.000%	93,375.00	(35,728.13)	34,303.13	91,950.00		
			08/15/17	95,000.00	4.000%	89,575.00	(34,303.13)	32,878.13	88,150.00		
			08/15/18	100,000.00	4.250%	85,550.00	(32,878.13)	31,284.38	83,956.25		
			08/15/19	100,000.00	4.500%	81,175.00	(31,284.38)	29,596.88	79,487.50		
			08/15/20	105,000.00	4.500%	76,562.50	(29,596.88)	27,825.00	74,790.62		
			08/15/21	105,000.00	4.750%	71,706.25	(27,825.00)	25,954.69	69,835.94		
			08/15/22	110,000.00	5.250%	66,325.00	(25,954.69)	23,789.06	64,159.37		
			08/15/23	115,000.00	5.250%	60,418.75	(23,789.06)	21,525.00	58,154.69		
			08/15/24	115,000.00	5.250%	54,381.25	(21,525.00)	19,260.94	52,117.19		
			08/15/25	120,000.00	5.250%	48,212.50	(19,260.94)	16,898.44	45,850.00		
			08/15/26	125,000.00	5.250%	41,781.25	(16,898.44)	14,437.50	39,320.31		
			08/15/27	130,000.00	5.500%	34,925.00	(14,437.50)	11,756.25	32,243.75		
			08/15/28	135,000.00	5.500%	27,637.50	(11,756.25)	8,971.88	24,853.13		
		08/15/29	140,000.00	5.500%	20,075.00	(8,971.88)	6,084.38	17,187.50			
		08/15/30	145,000.00	5.500%	12,237.50	(6,084.38)	3,093.75	9,246.87			
		08/15/31	150,000.00	5.500%	4,125.00	(3,093.75)		1,031.25			

June 30, 2015 Balance..... D \$ 1,980,000.00

Principal Payments..... D-6 (95,000.00)

June 30, 2016 Balance..... D \$ 1,885,000.00

WATER UTILITY CAPITAL FUND  
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ord.	Description	Balance June 30, 2015	SFY 2016 Authorized	New Authorization	Balance June 30, 2016
07-20	Water Treatment Plant.....	\$ 360,502.00		\$ -	\$ 360,502.00
12-14	Water Distribution System.....	500,000.00		(500,000.00)	-
13-15	Water Distribution System.....	1,000,000.00		(1,000,000.00)	-
15-16	Water Distribution System.....	-	2,000,000.00	-	2,000,000.00
Total Bonds & Notes					
Authorized but not Issued.....		\$ 1,860,502.00	\$ 2,000,000.00	\$ (1,500,000.00)	\$ 2,360,502.00
		<u>Ref.</u>			D



**Sewer Utility Fund**

SEWER UTILITY OPERATING & CAPITAL FUNDS  
SCHEDULE OF CASH

		Operating	Capital
Cash Balance June 30, 2015.....	E	\$ 2,991,124.20	\$ 681,374.32
Increased by Cash Receipts			
Anticipated Revenue.....	E-3	6,594,155.14	-
Premium on BAN issue.....	E-2	-	24,398.00
Bond Anticipation Notes .....	E-16	-	1,000,000.00
Total Cash Receipts.....		6,594,155.14	1,024,398.00
Decreased by Disbursements			
Appropriation Reserves.....	E-9	(32,080.30)	-
Budget Appropriations.....	E-4	(6,453,526.40)	-
Improvement Authorizations.....	E-13	-	(439,031.94)
Total Cash Disbursements.....		(6,485,606.70)	(439,031.94)
Cash Balance June 30, 2016.....	E	\$ 3,099,672.64	\$ 1,266,740.38

SEWER UTILITY CAPITAL FUND  
ANALYSIS OF CASH BALANCES

Ord.		Deferred Charges	Ordinance Balance	Reserve for Encumbrances	Other	Cash Balance
<u>Improvement Authorizations</u>						
95-19	North/South Brunswick Joint Outlet Sewer Project.....	\$ (2,380,000.00)	\$ 2,497,706.00	\$ -	\$ -	\$ 117,706.00
97-25	Replacement of Schmidt Lane & West Lawrence St Sanitary Sewer Pumping Station.....	(2,593,312.00)	2,523,695.08	-		(69,616.92)
08-21	Improve Sanitary Sewer System.....	-	-	3,491.47		3,491.47
09-17	Improvement to Sewer Distribution.....	-	17,355.00	72,446.50		89,801.50
11-17	Improvement to Sewer Distribution.....	-	-	124,017.45		124,017.45
12-15	Improvement to Sewer Distribution.....	-	157,951.32	351,758.95		509,710.27
13-16	Improvement to Sewer Distribution.....	(500,000.00)	1,000,000.00	-		500,000.00
15-15	Improvements to Sewer Distribution.....	(1,000,000.00)	811,018.81	-		(188,981.19)
	Fund Balance.....				151,711.80	151,711.80
	Capital Improvement Fund.....				28,900.00	28,900.00
<hr/>						
Total.....		\$ (6,473,312.00)	\$ 7,007,726.21	\$ 551,714.37	\$ 180,611.80	\$ 1,266,740.38
	<u>Ref</u>	E-17	E-13	E-13	E-2, E-14	E, E-5

SEWER UTILITY CAPITAL FUND  
SCHEDULE OF FIXED CAPITAL

Exhibit E-7

Balance - June 30, 2015.....	<u>Ref</u>	
Increased By:	E	\$ 13,795,637.00
Transfer From Fixed Capital Authorized but Not Completed	E-8	7,782,273.79
Balance - June 30, 2016.....	E	<u>21,577,910.79</u>

SEWER UTILITY CAPITAL FUND  
SCHEDULE OF FIXED CAPITAL AUTHORIZED BUT NOT COMPLETED

Exhibit E-8

Ord. Date	Description	Balance June 30, 2015	Authorized 2016	Transferred to Fixed Capital	Balance June 30, 2016
95-19	North/South Brunswick Joint Outlet Sewer Project.....	\$ 2,500,000.00		\$ (2,294.00)	\$ 2,497,706.00
97-25	Replacement of Schmidt Lane & West Lawrence Street Sanitary Sewer Pumping Station.....	4,840,000.00		(2,316,304.92)	2,523,695.08
05-17	Improve Sanitary Sewer System.....	1,000,000.00		(1,000,000.00)	-
06-18	Improve Sanitary Sewer System.....	250,000.00		(250,000.00)	-
08-21	Improve Sanitary Sewer System.....	1,000,000.00		(1,000,000.00)	-
09-17	Improvement to Sewer Distribution System.....	1,200,000.00		(1,182,645.00)	17,355.00
11-17	Improvement to Sewer Distribution System.....	1,000,000.00		(1,000,000.00)	-
12-15	Improvement to Sewer Distribution System.....	1,000,000.00		(842,048.68)	157,951.32
13-16	Improvement to Sewer Distribution System.....	1,000,000.00		-	1,000,000.00
15-15	Improvement to Sewer Distribution System.....	-	1,000,000.00	(188,981.19)	811,018.81
Total.....		<u>\$ 13,790,000.00</u>	<u>\$ 1,000,000.00</u>	<u>\$ (7,782,273.79)</u>	<u>\$ 7,007,726.21</u>
	<u>Ref</u>	E	E-13	E-7	E

SEWER UTILITY OPERATING FUND  
SCHEDULE OF SFY 2015 APPROPRIATION RESERVES

	June 30, 2016	Encumbrances	Paid or Charged	Balance Lapsed
Operating Salaries.....	\$ 8,142.46	\$ -	\$ -	\$ 8,142.46
Operating Expenses.....	221,431.45	114,584.81	(33,655.59)	302,360.67
Total Sewer Utility Operating.....	<u>\$ 229,573.91</u>	<u>\$ 114,584.81</u>	<u>\$ (33,655.59)</u>	<u>\$ 310,503.13</u>
	<u>Ref.</u>	E	E	E-1

Cash Disbursements.....	<u>Ref.</u>	
June 30, 2016 Accounts Payable.....	E-5	(32,080.30)
Total Paid or Charged.....	E-9	<u>1,575.29</u>
		<u>\$ (33,655.59)</u>

Accounts Payable Analysis

Balance June 30, 2015.....	E	\$ -
Transfer to Appropriation Reserve.....	E-9	<u>1,575.29</u>
Balance June 30, 2016.....	E	<u>\$ 1,575.29</u>

SEWER UTILITY CAPITAL FUND  
SCHEDULE OF SERIAL BONDS PAYABLE & ACCRUED INTEREST

Purpose	Issue Date	Original Issue	OUTSTANDING MATURITIES			INTEREST EXPENSE				
			June 30, 2016	Date	Principal	Rate	Interest Annual Cash Payments	Accrued Interest Beginning	Interest Ending	FY Budget Appropriation Interest
Ordinance 5-17	08/15/09	\$ 300,000		08/15/16	\$ 5,000	2.375%	\$ 10,679.38	\$ (4,027.03)	\$ 3,982.50	\$ 10,634.85
				08/15/17	5,000	3.000%	10,545.00	(3,982.50)	3,926.25	10,488.75
				08/15/18	5,000	3.000%	10,395.00	(3,926.25)	3,870.00	10,338.75
				08/15/19	5,000	4.000%	10,220.00	(3,870.00)	3,795.00	10,145.00
				08/15/20	6,000	4.000%	10,000.00	(3,795.00)	3,705.00	9,910.00
				08/15/21	6,000	4.000%	9,760.00	(3,705.00)	3,615.00	9,670.00
				08/15/22	6,000	4.000%	9,520.00	(3,615.00)	3,523.00	9,428.00
				08/15/23	29,000	4.000%	8,820.00	(3,523.00)	3,090.00	8,387.00
				08/15/24	30,000	4.000%	7,640.00	(3,090.00)	2,640.00	7,190.00
				08/15/25	32,000	4.000%	6,400.00	(2,640.00)	2,160.00	5,920.00
				08/15/26	33,000	4.000%	5,100.00	(2,160.00)	1,665.00	4,605.00
				08/15/27	35,000	4.000%	3,740.00	(1,665.00)	1,140.00	3,215.00
				08/15/28	37,000	4.000%	2,300.00	(1,140.00)	585.00	1,745.00
				08/15/29	39,000	4.000%	780.00	(585.00)		195.00
2011 Refunding Bond	12/22/11	10,252,500		04/01/17	955,000	3.000%	277,675.00	(73,000.00)	65,837.50	270,512.50
				04/01/18	987,500	3.000%	248,537.50	(65,837.50)	58,431.25	241,131.25
				04/01/19	1,015,000	3.000%	218,500.00	(58,431.25)	50,818.50	210,887.25
				04/01/20	1,052,500	4.000%	182,225.00	(50,818.50)	40,293.75	171,700.25
				04/01/21	1,095,000	4.000%	139,275.00	(40,293.75)	29,343.75	128,325.00
				04/01/22	1,145,000	5.000%	88,750.00	(29,343.75)	15,031.25	74,437.50
				04/01/23	1,202,500	5.000%	30,062.50	(15,031.25)		15,031.25

SEWER UTILITY CAPITAL FUND  
SCHEDULE OF SERIAL BONDS PAYABLE & ACCRUED INTEREST

OUTSTANDING MATURITIES				INTEREST EXPENSE.....						
Purpose	Issue Date	Original Issue	Date	June 30, 2016	Principal	Rate	Interest Annual Cash Payments	Accrued Interest Beginning	Ending	FY Budget Appropriation Interest
General Obligation Bond Ordinance 05-17; 08-21	08/08/12	1,700,000	08/01/16	70,000	2.000%		34,112.50	(14,502.21)	13,921.88	33,532.17
			08/01/17	75,000	2.000%		32,662.50	(13,921.88)	13,296.88	32,037.50
			08/01/18	75,000	2.000%		31,162.50	(13,296.88)	12,671.88	30,537.50
			08/01/19	75,000	2.000%		29,662.50	(12,671.88)	12,046.88	29,037.50
			08/01/20	80,000	2.000%		28,115.50	(12,046.88)	11,380.21	27,448.83
			08/01/21	80,000	2.000%		26,512.50	(11,380.21)	10,713.54	25,845.83
			08/01/22	80,000	2.000%		24,912.50	(10,713.54)	10,046.88	24,245.84
			08/01/23	85,000	2.125%		23,209.38	(10,046.88)	9,294.28	22,456.78
			08/01/24	85,000	2.125%		21,403.13	(9,294.28)	8,541.67	20,650.52
			08/01/25	85,000	2.250%		19,543.75	(8,541.67)	7,744.79	18,746.87
			08/01/26	90,000	2.375%		17,518.75	(7,744.79)	6,854.17	16,628.13
			08/01/27	95,000	2.500%		15,262.50	(6,854.17)	5,864.58	14,272.91
			08/01/28	95,000	2.500%		12,887.50	(5,864.58)	4,875.00	11,897.92
			08/01/29	100,000	2.625%		10,387.50	(4,875.00)	3,781.25	9,293.75
			08/01/30	105,000	2.750%		7,631.25	(3,781.25)	2,578.13	6,428.13
			08/01/31	105,000	2.750%		4,743.75	(2,578.13)	1,375.00	3,540.62
			08/01/32	110,000	3.000%		1,650.00	(1,375.00)		275.00
2012 Refunding Bond	09/12/12	480,000	08/15/16	95,000	3.000%		9,025.00	(6,768.75)	4,275.00	6,531.25
			08/15/17	95,000	4.000%		5,700.00	(4,275.00)	1,425.00	2,850.00
			08/15/18	95,000	4.000%		1,900.00	(1,425.00)		475.00

SEWER UTILITY CAPITAL FUND  
SCHEDULE OF SERIAL BONDS PAYABLE & ACCRUED INTEREST

Purpose	Issue Date	Original Issue	OUTSTANDING MATURITIES			INTEREST EXPENSE.....				
			Date	June 30, 2016	Rate	Interest Annual Cash Payments	Accrued Interest Beginning	Interest Ending	FY Budget Appropriation	Interest
2015 Bonds	07/30/15	2,186,330	07/15/16	90,000	2.750%	65,496.55	(30,586.44)	29,452.07	64,362.18	
			07/15/17	90,000	2.750%	63,021.55	(29,452.07)	28,317.69	61,887.18	
			07/15/18	80,000	2.750%	60,684.05	(28,317.69)	27,309.36	59,675.72	
			07/15/19	85,000	2.750%	58,415.30	(27,309.36)	26,238.01	57,343.95	
			07/15/20	90,000	2.750%	56,009.05	(26,238.01)	25,103.63	54,874.68	
			07/15/21	95,000	3.000%	53,346.55	(25,103.63)	23,797.38	52,040.30	
			07/15/22	95,000	3.000%	50,496.55	(23,797.38)	22,491.13	49,190.30	
			07/15/23	100,000	3.000%	47,571.55	(22,491.13)	21,116.13	46,196.55	
			07/15/24	100,000	3.000%	44,571.55	(21,116.13)	19,741.13	43,196.55	
			07/15/25	105,000	3.000%	41,496.55	(19,741.13)	18,297.38	40,052.80	
			07/15/26	110,000	3.000%	38,271.55	(18,297.38)	16,784.88	36,759.05	
			07/15/27	110,000	3.000%	34,971.55	(16,784.88)	15,272.38	33,459.05	
			07/15/28	115,000	3.000%	31,596.55	(15,272.38)	13,691.13	30,015.30	
			07/15/29	120,000	3.000%	28,071.55	(13,691.13)	12,041.13	26,421.55	
			07/15/30	125,000	3.125%	24,318.43	(12,041.13)	10,250.76	22,528.06	
			07/15/31	125,000	3.125%	20,412.18	(10,250.76)	8,460.40	18,621.82	
			07/15/32	130,000	3.250%	16,346.55	(8,460.40)	6,523.94	14,410.09	
			07/15/33	135,000	3.250%	12,040.30	(6,523.94)	4,513.01	10,029.36	
			07/15/34	140,000	3.375%	7,484.05	(4,513.01)	2,347.38	5,318.43	
			07/15/35	146,330	3.500%	2,560.78	(2,347.38)		213.40	
			07/15/36							

	Ref.	
June 30, 2015 Balance.....	E	\$ 10,612,000.00
Serial Bonds Issued		\$ 2,186,330.00
Principal Payments.....	E-4,E-15	(1,111,500.00)
June 30, 2016 Balance.....	E	<u>\$ 11,686,830.00</u>



SEWER UTILITY OPERATING AND CAPITAL FUNDS  
SCHEDULE OF ACCRUED INTEREST ON BONDS & NOTES

	Ref.	Total Accrued Interest	Bond Anticipation Notes	Serial Bonds	Environmental Infrastructure Trust
Accrued Interest June 30, 2015.....	E, E-4	\$ (137,228.06)	\$ (24,407.70)	\$ (105,812.54)	\$ (7,007.82)
Cash Payments - SFY 2016.....		429,481.22	26,796.22	390,208.32	12,476.68
Accrued Interest June 30, 2016.....	E, E-4	162,818.86	27,423.61	128,887.43	6,507.82
SFY 2016 Budget Expense.....		\$ 455,072.02	\$ 29,812.13	\$ 413,283.21	\$ 11,976.68

SCHEDULE OF SEWER LOAN PAYABLE  
NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST

Purpose	Drawdown Date	Original Issue	Fiscal Year	OUTSTANDING MATURITIES			INTEREST EXPENSE			
				June 30, 2016 Principal	8/1 Maturities	Rate	Interest Annual Cash Payments	Accrued Interest Beginning	Ending	FY Budget Appropriation Interest
Trust Loan Ordinance 97-25	11/4/04	\$570,000	2017	30,000.00	4.000%		15,018.76	(6,507.82)	6,007.82	14,518.76
			2018	30,000.00	5.000%		13,668.76	(6,007.82)	5,382.82	13,043.76
			2019	35,000.00	5.000%		12,043.76	(5,382.82)	4,653.65	11,314.59
			2020	35,000.00	5.000%		10,293.76	(4,653.65)	3,924.48	9,564.59
			2021	35,000.00	5.000%		8,543.76	(3,924.48)	3,195.32	7,814.60
			2022	40,000.00	5.000%		6,668.76	(3,195.32)	2,361.98	5,835.42
			2023	40,000.00	5.000%		4,668.76	(2,361.98)	1,528.65	3,835.43
			2024	40,000.00	4.250%		2,818.76	(1,528.65)	820.32	2,110.43
			2025	45,000.00	4.375%		984.38	(820.32)		164.06
Trust Loan June 30, 2016 Balance				\$ 330,000.00						

Purpose	Drawdown Date	Original Issue	Fiscal Year	Annual	Rate	SEMI-ANNUAL PRINCIPAL	
						1-Aug	1-Feb
Fund Loan Ordinance 97-25	11/4/04	\$ 581,688	2017	29,259.00	0.00%	24,573.42	4,685.58
			2018	28,381.60	0.00%	24,183.46	4,198.14
			2019	30,575.11	0.00%	26,945.66	3,629.45
			2020	29,437.73	0.00%	26,376.97	3,060.76
			2021	28,300.36	0.00%	25,808.29	2,492.07
			2022	30,331.38	0.00%	28,489.24	1,842.14
			2023	29,031.53	0.00%	27,839.32	1,192.21
			2024	27,829.35	0.00%	27,189.58	639.77
			2025	29,886.59	0.00%	29,886.59	
Fund Loan June 30, 2016 Balance				\$ 263,032.65			

	Ref.
June 30, 2015 Balance	E \$ 653,071.57
Principal Payments	E-4, E-15 (60,038.92)
June 30, 2016 Balance	E \$ 593,032.65

SEWER UTILITY CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord	Original	Description	June 30, 2015 Funded	June 30, 2015 Unfunded	SFY 2016 Authorized	Encumbrances 06/30/15	Paid	Encumbrances 6/30/16	June 30, 2016 Funded	June 30, 2016 Unfunded
95-19	\$ 2,500,000	North/South Brunswick Joint outlet sewer project.....	\$ 117,706.00	\$ 2,380,000.00	\$ -	\$ -	\$ -	\$ -	\$ 117,706.00	\$ 2,380,000.00
97-25	4,840,000	Replacement of Schmidt Lane & West Lawrence Street sanitary sewer pumping station.....	-	2,523,695.08	-	-	-	-	-	2,523,695.08
08-21	1,000,000	Improve Sanitary Sewer System.....	-	-	-	3,491.47	-	(3,491.47)	-	-
09-17	1,200,000	Sewer Distribution System.....	-	-	-	263,678.00	(173,876.50)	(72,446.50)	17,355.00	-
11-17	1,000,000	Improve Sanitary Sewer System.....	-	143,679.94	-	43,728.01	(63,390.50)	(124,017.45)	-	-
12-15	1,000,000	Improve Sanitary Sewer System.....	-	422,494.02	-	100,000.00	(12,783.75)	(351,758.95)	-	157,951.32
13-16	1,000,000	Improve Sanitary Sewer System.....	-	1,000,000.00	-	-	-	-	-	1,000,000.00
15-15	1,000,000	Improve Sanitary Sewer System.....	-	-	1,000,000.00	-	(188,981.19)	-	-	811,018.81
	<u>\$ 13,540,000</u>	<u>Total.....</u>	<u>\$ 117,706.00</u>	<u>\$ 6,469,869.04</u>	<u>\$ 1,000,000.00</u>	<u>\$ 410,897.48</u>	<u>\$ (439,031.94)</u>	<u>\$ (551,714.37)</u>	<u>\$ 135,061.00</u>	<u>\$ 6,872,665.21</u>
		<u>Ref.</u>	<u>E</u>	<u>E</u>	<u>E-8</u>	<u>E</u>	<u>E-5</u>	<u>E</u>	<u>E</u>	<u>E</u>

SEWER UTILITY CAPITAL FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND

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	<u>Ref.</u>
Balance - June 30, 2016 and June 30, 2015	E    \$ <u>28,900.00</u>

SEWER UTILITY CAPITAL FUND  
 SCHEDULE OF DEFERRED CHARGES,  
 RESERVE FOR AMORTIZATION & DEFERRED AMORTIZATION

	<u>Ref.</u>	Amortization	Deferred Amortization
Balance June 30, 2015.....	E	\$ (6,790,166.43)	\$ (370,000.00)
Principal Payments.....	E-10, E-12, E-16	(1,172,295.92)	-
Balance June 30, 2016.....	E	<u>\$ (7,962,462.35)</u>	<u>\$ (370,000.00)</u>

SEWER UTILITY CAPITAL FUND  
SCHEDULE OF BOND ANTICIPATION NOTES

Ord.	Description	Outstanding Maturities 06/30/2016		Maturity Date	Notes Outstanding June 30, 2015	Decrease		Principal	Notes Outstanding June 30, 2016
		Interest Rate	Issue Date			Increase	Decrease		
09-17	Improve Sanitary Sewer System.....	2.00%	7/30/15	7/29/16	\$ 1,187,087.00	\$ -	\$ (1,186,330.00)	\$ (757.00)	\$ -
11-17	Improve Sanitary Sewer System.....	2.00%	7/30/15	7/29/16	1,000,000.00	-	(1,000,000.00)	-	-
12-15	Improve Sanitary Sewer System.....	2.00%	7/30/15	7/29/16	500,000.00	500,000.00	-	-	1,000,000.00
13-16	Improve Sanitary Sewer System.....	2.00%	7/30/15	7/29/16	-	500,000.00	-	-	500,000.00
Total					\$ 2,687,087.00	\$ 1,000,000.00	\$ (2,186,330.00)	\$ (757.00)	\$ 1,500,000.00
					E	E-5	E-5		

Calculation of Accrued Interest

	Total	7/30/15	Issued Date	7/29/16
Principal Outstanding.....		1,500,000	1,500,000	
Interest Rate.....	2.00%			
Accrued Interest at June 30, 2016			27,423.61	
SFY 2016 Budget Expense.....	-	-	26,796.22	
Cash Payment			29,916.67	

SEWER UTILITY CAPITAL FUND  
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ord.	Description	June 30, 2015	SFY 2016 Authorized	BANs Issued	June 30, 2016
1995-19	North/South Brunswick Joint Outlet Sewer Project.....	\$ 2,380,000	\$ -	\$ -	\$ 2,380,000
1997-25	Replacement of Schmidt Lane & West Lawrence Street Sanitary Sewer Pumping Station.....	2,593,312	-	-	2,593,312
2012-15	Improvements to Sanitary Sewerage System.....	500,000	-	(500,000)	-
2013-16	Improvements to Sanitary Sewerage System.....	1,000,000	-	(500,000)	500,000
2015-15	Improvements to Sanitary Sewerage System.....	-	1,000,000	-	1,000,000
	Total Bonds & Notes Authorized but not Issued.....	\$ 6,473,312	\$ 1,000,000	\$ (1,000,000)	\$ 6,473,312

Ref.

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**TOWNSHIP OF NORTH BRUNSWICK  
MIDDLESEX COUNTY, NEW JERSEY**

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**PART IV  
SUPPLEMENTARY DATA**



**Length of Service Award Program (LOSAP) (Unaudited)**

**HODULIK & MORRISON, P.A.**  
CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS  
PUBLIC SCHOOL ACCOUNTANTS  
1102 RARITAN AVENUE, P.O. BOX 1450  
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ANDREW G. HODULIK, CPA, RMA, PSA  
ROBERT S. MORRISON, CPA, RMA, PSA

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MEMBERS OF:  
AMERICAN INSTITUTE OF CPA'S  
NEW JERSEY SOCIETY OF CPA'S  
REGISTERED MUNICIPAL ACCOUNTANTS OF N.J.

Honorable Mayor and Members  
of the Township Council  
Township of North Brunswick  
County of Middlesex, New Jersey

We have reviewed the accompanying statement of assets, liabilities and net assets of the Township of North Brunswick Length of Service Award Program (LOSAP) as of June 30, 2016, and the related statement of revenues, expenses and other changes in net assets for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the administration of the Township.

A review consists primarily of inquiries of the administration of the Township and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with auditing standards generally accepted in the United States of America, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

The Length of Service Award Program is a Township sponsored program and has no separate legal status or existence. The program prepares its financial statements in conformity with the accounting principles and practices prescribed by the Division of Local Government Service, Department of Community Affairs, State of New Jersey, which is a comprehensive basis of accounting other than generally accepted accounting principles.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with the basis of accounting described in the note.

*Hodulik & Morrison, P.A.*

Hodulik and Morrison, P.A.  
Highland Park, N.J.  
February 28, 2017

TOWNSHIP OF NORTH BRUNSWICK  
 LENGTH OF SERVICE AWARD PROGRAM (LOSAP) - UNAUDITED  
STATEMENT OF ASSETS, LIABILITIES AND NET ASSETS

	June 30, 2016	June 30, 2015
Assets		
Investments, at value as reported	\$ <u>1,067,157.95</u>	\$ <u>1,769,980.80</u>
Total Assets	\$ <u><u>1,067,157.95</u></u>	\$ <u><u>1,769,980.80</u></u>
Net Assets		
Restricted	\$ <u>1,067,157.95</u>	\$ <u>1,076,980.80</u>
Total Net Assets	\$ <u><u>1,067,157.95</u></u>	\$ <u><u>1,076,980.80</u></u>

See Accompanying Notes and Accountant's Review Report

TOWNSHIP OF NORTH BRUNSWICK  
 LENGTH OF SERVICE AWARD PROGRAM (LOSAP) - UNAUDITED  
STATEMENT OF REVENUES, EXPENSES AND OTHER CHANGES IN NET ASSETS

FOR THE YEAR ENDED

	June 30, 2016	June 30, 2015
Restricted Net Assets		
Contributions	\$ 68,458.24	\$ 38,531.67
Earnings	(7,048.39)	76,257.28
Withdrawals	(67,262.86)	(25,100.14)
Service Charges	<u>(3,969.84)</u>	<u>(3,639.06)</u>
Increase in Net Assets	(9,822.85)	86,049.75
Net Assets - Beginning of Year	<u>1,076,980.80</u>	<u>990,931.05</u>
Net Assets - End of Year	\$ <u><u>1,067,157.95</u></u>	\$ <u><u>1,076,980.80</u></u>

NOTE: See Notes to Unaudited Financial Statements

TOWNSHIP OF NORTH BRUNSWICK LENGTH OF SERVICE AWARD PROGRAM  
(LOSAP)

NOTES TO UNAUDITED FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Nature of Activities

The Township of North Brunswick Length of Service Award Program (LOSAP) is a qualified plan under Internal Revenue Code Section 457(e) and pursuant to P.L. 1997, c.388. The Township established the LOSAP Program for the North Brunswick Fire Company #1, #2 & #3 and the North Brunswick First Aid and Rescue Squad on September 4, 2001 through Ordinance #01-17. LOSAP provides for fixed annual contributions to a deferred income account for volunteer firefighters and first aid and rescue squad members who meet specified service criteria. LOSAP shall provide for annual contribution to each eligible member that meets the criteria as provided in the LOSAP Point System. The Township of North Brunswick sponsors LOSAP through an annual award appropriated through the municipal budget.

B. Basis of Presentation

The accounting policies of the Township of North Brunswick (the "Township"), Length of Service Award Program (LOSAP) (the "Program") conform to the accounting principles and practices prescribed by the division of Local Government Services, department of Community Affairs, State of New Jersey.

C. Description of Program

The Program was created in accordance with the Internal Revenue Code Section 457. The Program is offered to all volunteer members that meet the criteria set by the Township, and provides for fixed annual contributions for all eligible members. The deferred compensation is not available to volunteer members until termination, retirement, death, or unforeseeable emergency. Earnings of the Program and contributions by the Township are subject to vesting provisions of the plan and are exempt from income taxes until distribution to the participating volunteers.

The Program is offered by the Township to the participants through the Lincoln Financial Group.

All amounts of compensation deferred under the Program, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights, are (until paid or made available to the volunteer or other beneficiary) solely the property and rights of the Township (without being restricted to the provisions of benefits under the Program), subject only to the claims of the Township's general creditors. Participant's rights under the Program are equal to those of general creditors of the Township in an amount equal to the fair market value of the deferred account for each participant.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

C. Description of Program (Cont'd.)

In accordance with standards established by the Governmental Accounting standards Board, the Program balances are displayed in the Trust Fund of the Township. The Program is tax exempt in Internal revenue Code Section 457.

D. Amount of Contribution

The Township will contribute to the plan for an active volunteer who thereafter annually attains the minimum point score as provided below shall receive an annual contribution to their LOSAP account of \$866.56 for each year of qualified service. An active volunteer may also qualify for a retroactive annual contribution of \$100.00 per prior year of service for each of the previous five (5) years.

An active volunteer member will qualify for contribution to a LOSAP deferred account if they earn a cumulative total minimum of 100 points based on the point system below for each service year. For each service year during which a volunteer member is determined to be eligible to receive a LOSAP contribution, he/she will be credited with a year of service for purposes of vesting in accordance with this Plan. All members must be an active volunteer member in good standing throughout the year in order to be considered an eligible "qualified participant" in the Program and must be a qualified participant in the Program for five (5) years in order to be vested.

NOTE 2: QUALIFICATIONS

Qualification – Volunteer Fire Department

Each active volunteer member shall be credited with points for volunteer services provided to Fire Company #1, Fire Company #2 or Fire Company #3 in accordance with the following schedule:

- a. Response to fire alarm calls – minimum of 25% response to all calls required. Volunteers must annually respond to not less than 25 percent of the total number of actual calls in order to receive any points under this system and to be eligible to receive a LOSAP contribution to any service year. Providing that a volunteer member meets the minimum response requirements of 25 percent he/she shall receive one point per one percent of call responses, i.e. 29 percent call response equals 29 points. Active members with 30 years of active service are exempt from this minimum requirement.
- b. Attendance at regular business meeting – 2 points per meeting. A minimum of 12 points is required. 25 points will be earned if all meetings are made.

NOTE 2: QUALIFICATIONS (CONT'D)

Qualification – Volunteer Fire Department (Cont'd)

- c. Worknights – 1 point per worknight. A minimum of 12 points for participation in worknight is required and a maximum of 25 points may be earned.
- d. Fundraisers – 1 point per event. A minimum of 5 points for participation in fundraisers is required and a maximum of 20 points may be earned.
- e. Fund Drives – 3 points per session. A minimum of 6 points for participation in fund drives is required and a maximum of 15 points may be earned.
- f. Drills – 2 points per drill. A minimum of 12 points for participation in drills is required and a maximum of 24 points may be earned.
- g. Training – 1 point per hour. Maximum of 25 points.
- h. Memorial Day Parade – 10 points for participation.
- i. Elected Officers. Elected officers in the department and in each company shall receive points, subject to review by the Chief, President and LOSAP Secretary of each Fire Company respectively, for serving in the following positions.
 

a. Chief Officer	50 points
b. Company Life Member	50 points
c. Company Officer/Engineer or Executive Officer	35 points
d. Committee Member, LOSAP Secretary	25 points
- j. Miscellaneous Activities – 2 points per qualifying activity. A maximum of 10 points may be earned for participation in the following activities: wakes and memorial services, weather related standbys, overnight standbys, parades, township activities, special events, department meetings.

NOTE 2: QUALIFICATIONS (CONT'D)

Qualification – Volunteer First Aid & Rescue Squad

Each active volunteer member shall be credited with points for volunteer services provided to the North Brunswick First Aid and Rescue Squad organization in accordance with the following schedule:

- a. Crew Hours:
  - a. 1 point for each 5 hours of primary duty crew
  - b. 1 point for each 10 hours of backup duty crew
  - c. 1 point for each 2.5 hours of special event/standby duty crew
  - d. 1 point for each 2.5 hours of scramble duty calls
  - e. A minimum of .5 points per scramble call awarded.
- b. Officers: Elected officers shall receive points, subject to review by the executive committee, for serving in the following positions:
  - a. Captain or President 20 points
  - b. Asst Capt, V Pres, Recording or LOSAP Secretary 15 points
  - c. Lieutenant or Treasurer 10 points
  - d. Trustee and other administrative positions 5 points
  - e.
- c. Attendance at Business Executive Board, or Officer meeting - .5 points per meeting.
- d. Training - .5 points per hour of training.
- e. Various Events (cleanups, fund-drives, fundraising and attendance at wakes and memorial services) - .5 points per hour.



**Other Supplementary Data**

TOWNSHIP OF NORTH BRUNSWICK  
MIDDLESEX COUNTY, NEW JERSEY

COMBINED BALANCE SHEET - ALL FUNDS  
FOR THE FISCAL YEAR ENDING JUNE 30, 2016

ASSETS	CURRENT FUND	TRUST FUND	GENERAL CAPITAL FUND	SEWER UTILITY FUND	WATER UTILITY FUND	GENERAL FIXED ASSETS	MEMORANDUM ONLY	
							TOTALS JUNE 30, 2016	JUNE 30, 2015
Cash and Investments	\$ 8,373,212.15	\$ 4,972,400.25	\$ 507,174.85	\$ 4,366,413.02	\$ 4,280,545.94	\$	\$ 22,499,746.21	\$ 27,100,428.41
Accounts Receivable:								
State & Federal Grants Receivable	2,143,674.24						2,143,674.24	1,215,283.33
Due from State of New Jersey	157,132.06						157,132.06	165,229.00
Taxes, Assessments, Liens &								
Utility Charges	413,593.82				2,313,381.72		2,798,030.54	2,937,999.19
Due from Library Improvement Authority		71,055.00						
Interfund Loans	125,000.00						-	-
Other Accounts Receivable	3,400.00	182,458.67					185,858.67	185,299.32
Property Taxes Receivable	1,626.06						1,626.06	-
Property Acquired for Taxes at Assessed Valuation	161,970.58						161,970.58	161,970.58
LOSAP Funds (Unaudited) Inventory		1,067,157.95					1,067,157.95	1,076,980.80
Fixed Assets - General						84,047,435.78	84,047,435.78	83,421,157.45
Fixed Capital - Utility				21,577,910.79	58,542,087.11		80,119,997.90	43,861,631.03
Fixed Capital - Authorized and Uncompleted - Utility				7,007,726.21	2,496,602.48		9,504,328.69	42,762,695.56
Deferred Charges to Revenue of Succeeding Years							-	-
Deferred Charges								
MCIA Lease Purchase Obligation								1,289,201.00
Deferred Charges to Future Taxation:								
General Capital Fund			79,055,813.00				79,055,813.00	77,080,250.00
	\$ 11,379,608.91	\$ 6,293,071.87	\$ 79,562,987.85	\$ 32,952,050.02	\$ 67,632,617.25	\$ 84,047,435.78	\$ 281,867,771.68	\$ 281,258,125.67

TOWNSHIP OF NORTH BRUNSWICK  
MIDDLESEX COUNTY, NEW JERSEY

COMBINED BALANCE SHEET - ALL FUNDS  
FOR THE FISCAL YEAR ENDING JUNE 30, 2016

LIABILITIES, RESERVES AND FUND BALANCE	CURRENT FUND	TRUST FUND	GENERAL CAPITAL FUND	SEWER UTILITY FUND	WATER UTILITY FUND	GENERAL FIXED ASSETS	MEMORANDUM ONLY TOTALS	
							JUNE 30, 2016	JUNE 30, 2015
Bonds and Notes Payable	\$	\$	\$ 69,925,750.00	\$ 13,186,830.00	\$ 18,150,170.00	\$	\$ 101,262,750.00	\$ 100,563,507.00
Loans Payable				593,032.65	12,378,971.33		12,972,003.98	14,831,326.93
Taxes Payable	245,021.00						245,021.00	415,323.00
Prepaid Taxes, Assessments, Utility Charges and Licenses	281,242.20						281,242.20	258,845.51
Tax, Assessment, Lien, License and Utility Charge Overpayments		71,055.00		286,653.40	428,381.72	499,436.72	499,436.72	565,050.82
Appropriation Reserves	2,190,620.32				51,495.16	2,528,768.88	2,528,768.88	2,745,069.82
Reserve for Encumbrances/				305,178.48	1,104,380.64		2,678,699.30	2,112,353.77
Accounts Payable	1,269,140.18						28,857.60	34,689.02
Other Liabilities	28,794.00	63.60					125,000.00	
Interfund Payable	125,000.00		342.00	28,900.00	89,067.59		4,417,777.85	4,152,960.86
Amts. Pledged to Specific Purposes	460,077.40	3,839,390.86					1,315,404.46	1,203,540.30
Escrow Funds		1,315,404.46			2,988,945.76		19,004,467.58	19,940,678.78
Improvement Authorizations			8,456,081.24	7,559,440.58			1,067,157.95	1,076,980.80
LOSAP Funds (Unaudited)		1,067,157.95				84,047,435.78	84,047,435.78	83,421,157.45
Investments in General Fixed Assets								
Reserve for Amortization of Costs of Fixed Capital Acquired or Authorized								
Reserve for Certain Assets Acquired				8,332,462.35	30,034,046.26		38,366,508.61	35,432,629.66
or Receivables & Inventories	705,590.46		696,313.28				1,401,903.74	3,800,770.64
Fund Balance	6,074,123.35		484,501.33	2,659,552.56	2,407,158.79		11,625,336.03	10,703,241.31
	\$	\$ 6,293,071.87	\$ 79,562,987.85	\$ 32,952,050.02	\$ 67,632,617.25	\$ 84,047,435.78	\$ 281,867,771.68	\$ 281,258,125.67

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE  
IN FUND BALANCE - CURRENT FUND

<u>Revenue and Other Income Realized</u>	SFY 2016		SFY 2015	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Surplus Anticipated	\$ 2,850,000.00	1.94	\$ 3,250,000.00	2.22
Miscellaneous Revenues Anticipated	13,128,845.94	8.93	12,037,884.74	8.22
Receipts from Current Taxes	129,854,749.72	88.30	129,527,676.68	88.43
Other Miscellaneous Revenue	<u>1,232,307.20</u>	<u>0.84</u>	<u>1,652,013.52</u>	<u>1.13</u>
Total Income	<u>147,065,902.86</u>	<u>100.00</u>	<u>146,467,574.94</u>	<u>100.00</u>
<u>Expenditures</u>				
Budget Appropriations	45,268,480.97	31.51	44,508,898.98	31.18
Tax Collections				
County Taxes	17,789,165.79	12.38	18,917,427.45	13.25
Local School District Taxes	79,755,256.00	55.51	78,596,529.00	55.05
Other Miscellaneous Expenditures	<u>868,725.13</u>	<u>0.60</u>	<u>746,868.04</u>	<u>0.52</u>
Total Expenditures	<u>143,681,627.89</u>	<u>100.00</u>	<u>142,769,723.47</u>	<u>100.00</u>
Excess in Revenue	3,384,274.97		3,697,851.47	
Fund Balance - Beginning	<u>5,539,848.38</u>		<u>5,091,996.91</u>	
	8,924,123.35		8,789,848.38	
Utilized as Anticipated Revenue	(2,850,000.00)		(3,250,000.00)	
Charges Deferred to Future Years' Budgets	<u></u>		<u></u>	
Fund Balance - Ending	<u>\$ 6,074,123.35</u>		<u>\$ 5,539,848.38</u>	

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE  
IN FUND BALANCE - WATER UTILITY OPERATING FUND

<u>Revenue and Other Income Realized</u>	SFY 2016		SFY 2015	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Surplus Anticipated	\$ 300,000.00	3.90	\$ 330,000.00	4.50
Water Rents	6,211,264.92	80.73	5,940,236.13	80.93
Developer Contribution	151,090.00	1.96	157,090.00	2.14
Miscellaneous Revenues	644,219.07	8.37	655,510.27	8.93
Connection Fees	185,705.00	2.41	12,085.00	0.16
Water Utility Capital Surplus	50,000.00	0.65	75,000.00	1.02
Unexpended Balance of Appropriation Reserve	28,246.04	0.37	20,661.34	0.28
Water Utility Assessment Trust Fund Interest	97,175.00	1.26	100,875.00	1.37
Water Utility Capital - Reserve for Water Sys Improv.	-		30,900.00	0.42
SREC Sales	26,414.90	0.34	14,625.00	0.20
Prior Year's Accounts Payable Canceled	-		3,092.85	0.04
Total Income	<u>7,694,114.93</u>	<u>100.00</u>	<u>7,340,075.59</u>	<u>100.00</u>
<u>Expenditures</u>				
Budget Appropriations	<u>7,157,113.13</u>	<u>100.00</u>	<u>7,204,185.60</u>	<u>100.00</u>
Total Expenditures	<u>7,157,113.13</u>	<u>100.00</u>	<u>7,204,185.60</u>	<u>100.00</u>
Excess in Revenue	537,001.80		135,889.99	
Decreased by Surplus Anticipated				
Water Utility Operating Fund	(300,000.00)		(330,000.00)	
Current Fund				
Fund Balance - Beginning	<u>1,636,147.89</u>		<u>1,830,257.90</u>	
Fund Balance - Ending	<u>\$ 1,873,149.69</u>		<u>\$ 1,636,147.89</u>	

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE  
IN FUND BALANCE - SEWER UTILITY OPERATING FUND

<u>Revenue and Other Income Realized</u>	SFY 2016		SFY 2015	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Surplus Anticipated	\$ 475,000.00	6.44	\$ 384,000.00	5.64
Sewer Rents	6,580,480.14	89.17	6,341,476.19	93.22
Connection Fees	13,675.00	0.19	10,050.00	0.15
Prior Year's Accounts Payable Canceled	0.01	0.00	21,061.57	0.31
Unexpended Balance of Appropriation Reserve	310,503.13	4.21	46,058.95	0.68
Total Income	<u>7,379,658.28</u>	<u>100.00</u>	<u>6,802,646.71</u>	<u>100.00</u>
<u>Expenditures</u>				
Budget Appropriations	<u>6,906,554.93</u>	<u>100.00</u>	<u>6,498,994.71</u>	<u>100.00</u>
Total Expenditures	<u>6,906,554.93</u>	<u>100.00</u>	<u>6,498,994.71</u>	<u>100.00</u>
Excess in Revenue	473,103.35		303,652.00	
Decreased by Surplus Anticipated	(475,000.00)		(384,000.00)	
Fund Balance - Beginning	<u>2,509,737.41</u>		<u>2,590,085.41</u>	
Fund Balance - Ending	<u>\$ 2,507,840.76</u>		<u>\$ 2,509,737.41</u>	

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION\*

	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u>Tax Rate:</u>	<u>\$5.340</u>	<u>\$5.249</u>	<u>\$5.190</u>
<u>Apportionment of Tax Rate:</u>			
Municipal:	<u>\$1.202</u>	<u>\$1.177</u>	<u>\$1.154</u>
Municipal Open Space:	<u>\$0.030</u>	<u>\$0.030</u>	<u>\$0.030</u>
County:	<u>\$0.667</u>	<u>\$0.674</u>	<u>\$0.685</u>
County Open Space:	<u>\$0.056</u>	<u>\$0.055</u>	<u>\$0.056</u>
Local School:	<u>\$3.325</u>	<u>\$3.253</u>	<u>\$3.204</u>
Municipal Library:	<u>\$0.060</u>	<u>\$0.060</u>	<u>\$0.061</u>
<u>Assessed Valuation:</u>			
2016	<u>\$2,461,930,410.00</u>		
2015		<u>\$2,457,050,620.00</u>	
2014			<u>\$2,452,150,931.00</u>

\*Per Abstract of Ratables, Middlesex County, NJ

Note: Under the provisions of Chapter 73, L.1976, the County Board of Taxation estimated the amount of approved Veterans and Senior Citizens Tax Deductions for 2015 to be \$170,189.

### COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

A study of this tabulation could indicate a possible trend in future tax levies. A decrease in the percentage of current collection could be an indication of a probable increase in future tax levies.

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collection</u>
SFY 2016	\$129,973,744.53	\$129,854,999.72	99.91%
SFY 2015	129,659,436.35	129,527,676.68	99.90%
SFY 2014	125,710,606.56	124,466,068.00	99.01%

### DELINQUENT TAXES AND TAX TITLE LIENS

This tabulation includes a comparison, expressed in percentage, of the total of delinquent taxes and tax title liens, in relation to the tax levies of the last three years.

<u>Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
SFY 2016	\$413,593.82	-	\$413,593.82	0.32%
SFY 2015	392,948.37	-	392,948.37	0.30%
SFY 2014	325,509.01	140,635.52	466,144.53	0.37%

### PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

The value of property acquired by liquidation of tax title liens on June 30 ,on the basis of the last assessed valuation of such properties, was as follows:

<u>Year</u>	<u>Amount</u>
SFY 2016	\$161,970.58
SFY 2015	161,970.58
SFY 2014	161,970.58



COMPARATIVE SCHEDULE OF FUND BALANCES

	<u>Year Ended</u>		<u>Balance</u>		<u>Utilized in Budget of Succeeding Year</u>
Current Fund	SYF 2016	\$	6,074,124.43	\$	3,000,000.00
	SYF 2015		5,539,848.38		2,850,000.00
	SYF 2014		5,091,996.91		3,250,000.00
	SYF 2013		4,364,372.42		2,950,000.00
	SYF 2012		4,458,843.14		3,775,000.00
Water Utility Operating Fund	SYF 2016	\$	1,873,149.69	\$	400,000.00
	SYF 2015		1,830,257.90		300,000.00
	SYF 2014		1,933,700.46		330,000.00
	SYF 2013		2,043,909.45		370,000.00
	SYF 2012		1,940,749.13		295,000.00
Sewer Utility Operating Fund	SYF 2016	\$	2,507,840.76	\$	1,050,000.00
	SYF 2015		2,590,085.41		475,000.00
	SYF 2014		2,379,026.88		384,000.00
	SYF 2013		2,188,023.73		50,000.00
	SYF 2012		1,566,540.82		114,990.65

## OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office as at June 30, 2016:

<u>NAME</u>	<u>TITLE</u>	<u>AMOUNT OF BOND</u>	
Francis Womack -	Mayor		
Carlo Socio -	Council President		
Robert Davis -	Councilperson		
Robert Corbin -	Councilperson		
Ralph Andrews -	Councilperson		
Cathy Nicola -	Councilperson		
Shanti Narra -	Councilperson		
Kathryn Monzo -	Business Administrator		
Justine Progebin -	Assistant Business Administrator		
Kala Sriranganathan -	Chief Financial Officer	\$1,000,000.00	(A)
Laurie Hammerstrom -	Tax Collector	\$1,000,000.00	(A)
Justine Progebin -	Purchasing Agent		
Lisa Russo -	Township Clerk		
Diane Walker -	Tax Assessor		
Sheral Rossmann -	Court Administrator	\$1,000,000.00	(A)
Christine Heitman -	Municipal Court Judge	\$1,000,000.00	(A)
William Feingold -	Municipal Court Judge	\$1,000,000.00	(A)
Ron Gordon, Esq. -	Township Attorney		
Lisa Russo -	Registrar of Vital Statistics		
Lou Ann Benson -	Director of Parks and Recreation/ Community Services		
Michael Hritz -	Director of Community Development		
Eric Chaszar -	Director of Public Works		
Tom Paun -	Construction Official		
Kenneth McCormick -	Director of Public Safety		

(A) Garden State Municipal Joint Insurance Fund

Comments related to surety bond coverages are located in the General Comment section of the report.

**TOWNSHIP OF NORTH BRUNSWICK  
MIDDLESEX COUNTY, NEW JERSEY**

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**PART V  
GENERAL COMMENTS AND RECOMMENDATIONS**

TOWNSHIP OF NORTH BRUNSWICK  
COUNTY OF MIDDLESEX, NEW JERSEY  
FISCAL YEAR ENDED JUNE 30, 2016

GENERAL COMMENTS

An audit of the financial accounts and transactions of the Township of North Brunswick, County of Middlesex, New Jersey, for the fiscal year ended June 30, 2016, has been completed. The General Comments are herewith set forth:

Scope of Audit

The audit covered the financial transactions of the Finance Department and the other various offices and departments collecting fees within the Township of North Brunswick, County of Middlesex, New Jersey.

The audit did not and could not determine the character of services rendered for which payment had been made or for which reserves had been set up, nor could it determine the character, proper price or quantity of materials supplied for which claims had been passed. Cash on hand was counted and cash and investment balances were reconciled with independent certifications obtained directly from the depositories. Revenues and receipts were established and verified as to source and amount insofar as the records permitted.

INTERNAL CONTROL MATTERS

In planning and performing our audit of the financial statements of the Township of North Brunswick, County of Middlesex, New Jersey as of and for the fiscal year ended June 30, 2016, in accordance with auditing standards generally accepted in the United States of America, we considered the Township's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses. Professional accounting standards define the inadequacies or shortcomings of internal controls within an organization, as follows:

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis.

A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

## GENERAL COMMENTS

### INTERNAL CONTROL MATTERS (cont'd.)

The control deficiencies reported are not considered to be significant deficiencies nor material weaknesses. In addition, as per standards, control deficiencies are not required to be reported in writing. However, control deficiencies are presented in this report as a means to inform management and those charged with governance, matters identified in review of the Township's internal controls.

These general comments do not affect our report on the financial statements of the Township of North Brunswick, dated February 28, 2017. Our comments and recommendations, which have been discussed with the appropriate members of management, are intended to improve internal control or result in other operating efficiencies.

#### Control Deficiencies:

##### 2016-1 Segregation of Duties – Other Offices/Departments Collecting Municipal Fees

Conditions exist whereby the same person may collect, records and deposit cash receipts in the following offices – Tax Office, Recreation, Police, Community Development, Fire, Building Regulations and Clerk.

This condition is the result of multiple tasks performed by the same individual and the staffing levels of the respective offices.

##### 2016-2 Transaction Posting

The computerized data processing system allows for the back posting of transactions for those individuals with security rights in the information processing system. The ability to back post transactions can limit the effectiveness of the data processing system.

## OTHER MATTERS

### Contracts and Agreements Required to be Advertised Per N.J.S.A. 40A:11-4:

N.J.S.A. 40A:11-4 states "every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidder therefore, except as is provided otherwise in this act or specifically by any other law. The governing body of a contracting unit may, by resolution approved by a majority of the governing body and subject to subsections b. and c. of this section, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the governing body finds that it has had prior negative experience with the bidder. "

## GENERAL COMMENTS

### OTHER MATTERS (CONT'D)

#### Contracts and Agreements Required to be Advertised Per N.J.S.A. 40A:11-4 (cont'd):

The governing body of the Township has the responsibility of determining whether the expenditures in any category will exceed the bid threshold within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Township's Council's opinion should be sought before a commitment is made.

On September 28, 2015, the Local Public Contracts Law was amended, effective on July 1, 2015. The amendment addresses the bid threshold (Section 7, N.J.S.A. 40A:11-3), thereby increasing the amount from \$36,000.00 to \$40,000.00 under which a contract may be awarded without public advertising for those municipalities that have appointed a Qualified Purchasing Agent.

The maximum bid threshold remains at \$17,500.00 for those municipalities that do not have a Qualified Purchasing Agent. As of December 31, 2015, the Township has a Qualified Purchasing Agent.

On May 5, 2011, the Local Public Contracts Law was revised again pursuant to a statutorily permitted notice issued by the Governor of the State of New Jersey, effective January 1, 2011. The law eliminated the previous 'lower' non-QPA threshold of \$26,000. Thus a contracting unit without a Qualified Purchasing Agent now has a maximum bid threshold of \$17,500.00.

A review of the Township's purchasing procedures indicates bids were requested by public advertising for the following items tested, as disclosed in the official minutes:

#### Materials, Supplies and Equipment:

One Mall Chevrolet; Six Beyer-Chrysler Dodge Jeep Rams; Firefighter protective equipment; Snow removal rental equipment; CCTV Equipped Vehicle; Radio System; One Wheel Loader; Vehicle Exhaust Extraction System; One Utility Truck with Plow; One Tandem Axle Dump Truck with Plow; One Automated Fingerprint Identification System, Four RE in car video systems, Car analyzer, 2000 gallon truck tank, Pothole Patcher, Fifteen cameras, 4 in car video Systems, Model Connect Plus three mail machine, Panasonic Toughbooks, Printers, iPads with Otterbox, Computers, Truck lift, and Twelve PC's for Police, Dodge Durango, Three Ford Escapes, Three Chevrolet Tahoe, Toll of Truck, Two Dodge Chargers.

#### Service, Rentals, Construction and Repairs:

Tree Removal and Trimming Services; Municipal Complex Generator Replacement Project; Sewer Jet Vac Services; Veterans Memorial and Landscape Improvements; Network Infrastructure Consulting/ Data Maintenance Services; Concession Building Improvements; Nassau Street Reconstruction; Manhole Rehabilitation Services; 2014 Road Improvement Program Project; Veterans Park Building Improvements; Maintenance and Repair of Township Sewer Lift Stations; 2016 Road Improvement Program.

Examination for items tested revealed no individual payments over the \$40,000 bid threshold, "for the performance of any work or the furnishing or hiring of any materials or supplies," other than those were bids had been previously sought by public advertising or where a resolution had been previously adopted under the provisions of N.J.S.A. 40A: 11-4.

## GENERAL COMMENTS

### OTHER MATTERS (CONT'D.)

#### Contracts and Agreements Required to be Advertised Per N.J.S.A. 40A:11-4 (Cont'd.):

The minutes indicate that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S.A. 40A: 11-5.

Any interpretations as to the possible violation of N.J.S.A. 40A: 11-4 would be in the province of the Township solicitor.

#### Pay-to-Play and Business Registration Requirements

Tests of expenditures for vendors with payments in excess of \$17,500 and less than applicable bid threshold for contracts not awarded through state contracts, bidding or the "fair and open process" indicated the Township is in compliance with P.L. 2005, c.271.

#### Collection of Interest on Delinquent Taxes, Assessments and Water and Sewer Charges

N.J.S. 54:4-67, as amended, provides the method for authorizing interest and the maximum rate to be charged for the non- payment of taxes or assessments on or before the date when they would become delinquent.

The governing body, on January 1, 2016, adopted the following resolution authorizing interest to be charged on delinquent taxes:

WHEREAS, R.S. 54:4-67 has been amended to permit the governing body to fix the rate of interest to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent and may provide that no interest shall be charged if payment of any installment is made within thirty (30) days after the date of billing.

NOW, THEREFORE, BE IT RESOLVED that the Township Council does hereby fix the rate of interest at eight percent (8%) per annum on the first One Thousand Five Hundred Dollars (\$1,500) and at eighteen percent (18%) per annum on any amount in excess of One thousand Five Hundred Dollars (\$1,500) from the date when any tax installment shall be payable and delinquent until the said installment together with interest is paid provided, however, that if any installments shall be paid within thirty (30) days after the date payable, in that event there shall be no interest charged.

"In addition, pursuant to N.J.S.A. 54:4-67, there is hereby fixed as a penalty to be charged to a tax payer with a delinquency in excess of \$10,000 who fails to pay the delinquency prior to the end of the calendar year of 6 percent to the amount of delinquency."

An examination of the Tax Collector's record indicated that interests on delinquent accounts were calculated in accordance with the foregoing resolution for the items tested.

## GENERAL COMMENTS

### OTHER MATTERS (CONT'D)

#### Delinquent Taxes and Tax Title Liens

The last accelerated tax sale was held on June 21, 2016. Properties that were in bankruptcy proceedings were excluded from the sale.

The following comparison is made of the number of tax title liens receivable for the last three years:

<u>Year</u>	<u>Number of Liens</u>
SFY 2016	49
SFY 2015	52
SFY 2014	52

#### Investments

During SFY 2016, the Township's funds were invested primarily in interest bearing and sweep accounts.

The Township has adopted a formal cash management plan policy in compliance with N.J.S.A. 40A:5-14 of the Local Fiscal Affairs Law, which requires that "each local unit shall adopt a cash management plan and shall deposit its fund pursuant to that plan".

#### Purchase Order and Encumbrance System

The Township utilized a purchase order system for its expenditures in connection with its budgetary accounting encumbrance system during the year under review. Transactions are approved based on availability of funds. The processing of confirming orders was noted.

#### Surety Bonds

The "List of Officials", included as part of the Supplementary Data section of this report, discloses the status of surety bond coverage's in effect at June 30, 2016. A review of surety bond coverage as of June 30, 2016, disclosed compliance with requirements, as promulgated by the Local Finance Board, State of New Jersey, for the Municipal Court and Collector.

During July 1998 the Local Finance Board completed a readopting of the Board's general rules in the New Jersey Administrative Code. Based upon the new provisions of N.J.A.C. 5:30-8.3 and 8.4, local units are encouraged to utilize new recommended amounts in lieu of the minimum amounts in order to provide a higher level of security of public funds. We suggest that the Township review these revised regulations and determine their applicability and also determine if other positions should be bonded separately or covered with increased blanket coverage.



## GENERAL COMMENTS

### OTHER MATTERS (CONT'D.)

#### Municipal Court

The financial records maintained by the Municipal Court during the period were reviewed. The examination of the general account included a review to confirm deposits were properly recorded and spread by receipt category and disbursements were made to the appropriate agencies on a timely basis. There were no exceptions for turnover exceeding the 15<sup>th</sup> day of the following month for disbursements to the Township's Current Fund. The examination of the bail accounts and supporting records maintained by the Municipal Court indicated that the analysis of outstanding bail was reconciled to the book balance for the period under review. The examination of the court records also indicated that the court continues to complete its bank reconciliations in a timely manner.

#### Internal Control Documentation

Statement on Auditing Standards 115 identifies inadequate documentation of internal controls as a possible deficiency, significant deficiency or material weakness. The Township initiated the process of documenting its control, we suggest the Township consider utilizing the framework established by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) for its documentation, which includes the five components of internal controls, as follows: Control Environment; Risk Assessment; Information and Communication; Monitoring; and Control Activities. In addition, we suggest the documentation also include the internal controls that exist over grant compliance.

#### Condition of Records - Other Officials Collecting Fees

Our review of the records maintained for other officials collecting fees were designed to determine that minimum levels of internal controls and accountability were met, that cash receipts were deposited or turned over to the Treasurer's accounts within a 48-hour period as required by N.J.S.A. 40A:5-15, and the fees charged were in accordance with the provisions of the Township Code and that monthly financial reports are being submitted to the Finance Department timely.

The examination of the records of the various outside offices and departments indicated the following for the fiscal year ended June 30, 2016: all offices were in compliance with 48-hour deposit requirement (N.J.S.A 40A: 5-15).

It is suggested that the Township continually review its financial accounting and reporting policies and procedures as well as internal control procedures to ensure that all of its control objectives are met and to ensure compliance with N.J.S.A 40A: 5-15.

## GENERAL COMMENTS

### OTHER MATTERS (CONT'D.)

#### Water Utility Fund/ Sewer Utility Fund

The results of operation for the Water Utility Operating Fund and the Sewer Utility Operating Fund are set forth in Exhibit "D-1" and Exhibit "E-1", respectively, of this report. Realized revenues amounted to \$7,694,114.93 for Water and \$7,379,658.28 for Sewer. Expenditures amounted to \$7,157,113.13 for Water and \$6,906,554.93 for Sewer. This resulted in excess revenues of \$537,001.80 for Water and \$473,103.35 for Sewer. The calculation of "Self-Liquidating Purpose" water utility operations per N.J.S.A. 40A: 2-45 resulted in a statutory excess for debt statement purposes of \$215,228.65, which allows for the total deduction of Water Utility Debt in the calculation of the statutory net debt of the Township at June 30, 2016. The calculation of "Self-Liquidating Purpose" sewer utility operations per N.J.S.A. 40A:2-45 resulted in a statutory excess for debt statement purposes of \$886,531.48, which allows for the total deduction of Sewer Utility Debt in the calculation of the statutory net debt of the Township at June 30, 2016.

#### Condition of Records - Collector of Revenues

The records maintained by the Collector of Revenues were reviewed. Computerized cash receipt records were agreed to daily controls and in total monthly with no exceptions noted for items tested. No exceptions were noted in the review of computerized real estate billings and billing adjustments for real estate taxes for items tested.

#### Condition of Records - Finance Office

The financial records maintained by the Finance Department during the period were reviewed. A general ledger was maintained for each fund. Adjustments were required to be posted and recorded within the general ledger accounting and reporting system in order to utilize the ledger as the basis of financial statement – regulatory basis preparation and presentation. The control accounts were generally in proof with supporting detail.

#### Administration and Accounting of State & Federal Grants

During SFY 2016, the Township operated programs that were funded in whole or in part by state and or federal grant awards. As part of the acceptance of these funds, the Township is required to make assurances to the grantor agency that it will comply, in its general operations as well as in the operation of grant funded programs, with various laws and regulations. In addition, the individual grant contracts impose specific compliance requirements for the operations of each program. Based upon the myriad compliance and reporting requirements for grant awards, the Township should continue to develop sound administrative functions over grant program.

The acceptance of grant funds also places additional requirements upon the Township with respect to the Township's system of internal controls. Based upon the matrix of requirements applicable to a specific grant, the Township's internal controls are required to include systems and policies and procedures designed to ensure compliance with the applicable requirements.

It was noted in the previous and current audit that there are certain grant receivables recorded within the Township's financial statements where no recent activity has occurred. We suggest that the Township review older receivable balances, including grants receivables, for their proper disposition within all Township funds, and in particular the Grant Fund and General Capital Fund.

## GENERAL COMMENTS

### OTHER MATTERS (CONT'D.)

The grant administration process also requires the Township to prepare schedule(s) of financial assistance. As with other local entities, due to weaknesses in the grant notification process followed by certain agencies, that pass-through federal and state assistance to the Township, the Township often does not receive accurate and timely information with respect to the grant funding sources, along with the relevant CFDA and account number information from its grantor agencies, which can inhibit the preparation of these financial assistance schedules. Matters related to the inclusion of and classification of certain grants with respect to the financial assistance schedules were noted in our review. We suggest the Township review its procedures over the preparation of the financial assistance schedules for proper reporting.

We also suggest the Township periodically review its system of internal controls and various policies and procedures as they apply to the compliance requirements for State and Federal grants.

#### Other Compliance Matters:

The Local Finance Board, State of New Jersey, adopted the following requirements, previously identified as “technical accounting directives”, as codified in the New Jersey Administration Code, as follows:

N.J.A.C. 5:30 - 5.2 - Encumbrance Systems: This directive requires the development and implementation of accounting systems, which can reflect the commitment of funds at the point of commitment. The Township of North Brunswick is in compliance with this directive.

N.J.A.C. 5:30 - 5.6 - Accounting for Governmental Fixed Assets: This directive requires the development and implementation of accounting systems which assigns values to covered assets and can track additions, retirements and transfers of inventoried assets. The Township is compliance with this directive.

#### Compliance with Local Finance Notices

N.J.A.C. 5:30 - 5.7 - General Ledger Accounting System: This directive requires the establishment and maintenance of a general ledger for, at least, the Current Fund. The Township is in compliance with this directive.

In accordance with Local Finance Notice No. CFO-10, Uniform Construction Code, expenditure records were tested for compliance with N.J.A.C. 5:23.17(c) 2, and no exceptions were noted for those items tested.

## RECOMMENDATIONS

None.

\* \* \* \* \*

## ACKNOWLEDGMENT

During the course of our audit we received the complete cooperation of the various officials of the Township, and the courtesies extended to us were greatly appreciated.

Should any questions arise as to our comments or recommendations or should you desire assistance in implementing our recommendations, please do not hesitate to contact us.

Very truly yours,

HODULIK & MORRISON, P.A.



Andrew G. Hodulik, CPA, RMA  
No. 406